

Australia	100.00	Canada	100.00	France	100.00	Germany	100.00	Italy	100.00	Japan	100.00	Netherlands	100.00	Spain	100.00	Sweden	100.00	Switzerland	100.00	UK	100.00	USA	100.00
Belgium	100.00	Denmark	100.00	Greece	100.00	Ireland	100.00	Korea	100.00	Malaysia	100.00	Portugal	100.00	Singapore	100.00	Taiwan	100.00	Thailand	100.00	Turkey	100.00	West Germany	100.00

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EUROPE'S BUSINESS NEWSPAPER

No. 30,553

Thursday June 2 1988

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Bank mergers adding  
spice to market  
in Madrid, Page 40

## World News Business Summary

### Lee seeks end to Singapore's row with US Beazer bid

Lee Kuan Yew, Singapore's Prime Minister, signalled willingness to halt the row with the US and proposed that an independent tribunal determine whether American diplomats had interfered in his country's domestic politics. Page 18

### Israel tear gas charge

The Israeli army said it was checking a UN report that tear gas fired by troops had killed 11 Arabs, including a 7-day-old baby, and caused dozens of miscarriages. Uprising toll, Palestinian killings. Page 4

### 16 dead in mine blast

An explosion ripped through a coal mine near Frankfurt, West Germany, killing at least 16 miners and trapping about 40 others below ground.

### Strike in Lebanon

A strike paralysed Lebanon on the first anniversary of the killing of Prime Minister Rashid Karuni and rival Muslim militias marked the day by freeing prisoners taken in battles.

### Java ferry sinks

At least 200 people are feared to have drowned when an overloaded ferry sank in the Java Sea off the Indonesian coast, the Java Post reported.

### China names negotiator

China appointed Mr Tian Zengpei as Vice Foreign Minister to negotiate with the Soviet Union on normalising political relations.

### Ethiopia ready for talks

The Ethiopian Government said it was ready to negotiate a settlement to the Eritrean rebellion.

### Sinhalese violence

Sinhalese radicals bombed a government building, set trains on fire and forced shops to close in central Sri Lanka in an attempt to disrupt provincial elections. Police were ordered to shoot anyone causing a disturbance.

### Junejo backs down

Pakistan's Prime Minister Mohammed Khan Junejo, dismissed by President Mohammed Zia-ul-Haq on Sunday, decided to leave quietly and avoid confronting the army. Page 4

### Iran missile site

Iran is preparing a launch site to put the Sukovnik missiles within striking distance of targets across the entire Strait of Hormuz, a senior US commander said.

### Backing for Ligachev

Soviet leader Mikhail Gorbachev expressed unequivocal backing to his most senior aide, Mr Yegor Ligachev, following an attack by Mr Boris Yeltsin, the ousted Moscow party chief. Page 4

### UK-US defence deal

Britain and the US are poised to sign an agreement on the joint development of a defence system to protect ships from torpedo attacks.

### Dutch rail crash

Two people were killed and 20 injured when a passenger express smashed into the rear of a stopped freight train in the southwestern Netherlands.

### Journalist to be freed

Afghan President Najibullah ordered the release of Italian journalist Fausto Silvestro, jailed in March for seven years on spying charges.

### Shooting in Turkey

A Turkish lawyer shot and killed three people, including the chairman of the Istanbul Chamber of Commerce, at a restaurant in Ankara. He then shot himself.

### Kahyasi wins Derby

Kahyasi won a closely run race with Glacial Storm to land the £500,000 Ever Ready Derby.

## Superpower summit 'opens up more businesslike era'

BY STEWART FLEMING, ROBERT MAUTHNER AND QUENTIN PEEL IN MOSCOW

THE MOSCOW summit has laid the foundations for a new, more businesslike era of superpower relations, Mr Mikhail Gorbachev, the Soviet leader, and President Ronald Reagan of the US, said yesterday.

"The President and the General Secretary view the Moscow summit as an important step in the process of putting US-Soviet relations on a more productive and sustainable basis," a joint statement said at the end of four days of talks.

Both sides agreed that although major issues remained to be resolved if their goal of a 50 per cent cut in strategic nuclear weapons was to be achieved, considerable progress was made on the problem areas of verifying cuts in air-launched and mobile ground-launched missiles.

The communiqué offered a more positive assessment of US-Soviet relations than that issued after the two leaders' meeting in Washington last December, although Mr Gorbachev expressed his own disappointment at its failure to go further.

"I think we could have achieved more during this meeting," he said at an international press conference - the first ever by a Soviet leader in Moscow. He criticised Washington for rejecting a new statement committing the superpowers to "peaceful coexistence" and renouncing the use of military means to resolve conflicts.

"I believe we have missed a chance to take an important step forward towards civilised relations," he said.



Pointer to progress: Ronald Reagan and Mikhail Gorbachev at the start of their last day of talks in Moscow yesterday

Behind the criticism lies a continuing struggle between the two countries over priorities in their dialogue. Even before they arrived in Moscow, US officials were discounting the possibility of an arms "breakthrough," and saying that pride of place at the talks should go to human rights.

This stance, designed to put the Soviet Union on the defensive, angered Mr Gorbachev. "I am not filled with admiration for that part of the visit," he said, referring to Mr Reagan's meeting with Soviet dissidents. But Mr Gorbachev also kept his response deliberately low-key.

Moscow is anxious to capitalise on the appeal of arms control in the West and to move as far ahead as it can while the conservative Republican President remains in office. It has thus sought to make arms cuts the focus of the summit.

In spite of differences between the two superpowers, the joint statement suggests that the Moscow summit, more than any of their three previous meetings, marks a maturing of the improved atmosphere in US-Soviet relations since Mr Reagan and Mr Gorbachev first met in Geneva 2½ years ago.

"The two leaders are convinced that the expanding political dialogue they have established represents an increasingly effective means of resolving issues of mutual concern," the joint statement said. Although "real differences of history, tradition and ideology" will continue to characterise the US-Soviet relationship, they believe the dialogue will endure because it is based on realism and focused on the achievement of concrete results.

Considerable problems remain on arms control. There was no movement on submarine-launched cruise missiles and, arguably most divisive of all, Mr Reagan remains determined to press ahead with testing and

development of the Strategic Defence Initiative, or Star Wars.

In addition, the joint statement conceded that the discussions revealed "serious differences" over issues such as the Middle East, southern Africa and Central America.

More summit news, Page 2; Gorbachev stands by Ligachev, Page 4; Editorial comment, Page 16

## A small intrepid step for Reagan

Robert Mauthner, Diplomatic Correspondent, examines the differences in style between President Reagan and Mr Gorbachev at the Moscow summit

Yet, to his credit, the US President never modified his tough approach to the problem of human rights in the Soviet Union.

It was only at Moscow University, when he spoke about the impossibility of technological and scientific progress flourishing in anything but a free and democratic society, that his oratory reached an impressive level.

The difference in styles between the two leaders was particularly striking at their respective press conferences yesterday. Mr Gorbachev's way of conducting a press conference is not one to appeal to most Western journalists.

His two-hour conference was prefaced by a long statement which left little time for questions. President Reagan did not make the same mistake during his conference, which lasted little more than 30 minutes.

On content, however, Mr Reagan came a poor second. After Mr Gorbachev's statement, journalists wanted to ask serious questions, whereas after Mr Reagan's they were mostly insignificant.

While Mr Gorbachev raised the tone by speaking passionately about the need for a continuing dialogue between the two superpowers, and at times barely concealed his anger at some of Mr Reagan's public strictures on Soviet human rights policies, the US president was pedestrian and listless.

His best replies consisted of well-worn anecdotes and maxims such as, "You don't stop loving your mother when you get married." It gets a laugh, but it is hardly what it takes to make a great political occasion.

What struck journalists most at Mr Reagan's press conference was his failure to give a proper reply to the question: had he learnt anything in Moscow? Mr Gorbachev had said with telling emphasis in his welcome remarks in the Kremlin, "It is better to see once than to hear a hundred times."

On home copying, the paper says EC laws are needed to cope with the potential of near-perfect private recording from digital audio tapes (Dat).

It accepts that uncontrolled digital home recording could threaten copyright holders' rights, and suggests that home Dat machines should be fitted with a device to limit their recording ability.

But the Commission warns that there must be a clear line between domestic and commercial Dat machines so as not to impede the development of digital recording technology.

Brussels estimates that pirated music accounts for \$1.2bn of the world recording industry's \$10bn annual sales, and pirate video recordings frequently outnumber legitimate ones.

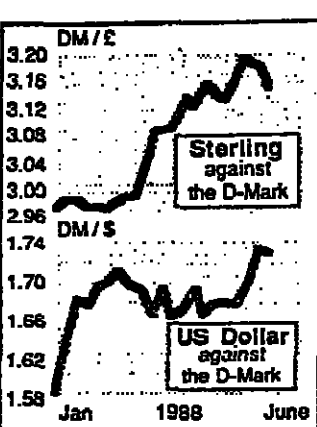
The paper also calls for national discrepancies to be ironed out on distribution and rental rights for sound and video recordings.

It is undecided on the scope and shape of any legislation on distribution rights, but says common rules on rentals are a priority. A right to authorise rentals - though there should be no common rules on fair payments - should be granted to authors, producers and performers. It should last for possibly 20 years from the date of recording, suggests the paper.

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### Sterling falls rapidly from favour in rush to \$

By Simon Holberton

THE POUND dropped sharply yesterday in hectic trading after international investors switched a large proportion of their funds from sterling to dollars and other major currencies.

The extent of sterling's drop highlighted the UK Government's dilemma over interest and exchange rate policy. It has tried to sell the idea of domestic financial markets that the combination of a high exchange rate and low interest rates was consistent with a monetary posture which has an anti-inflationary bias.

Both the Treasury and the Bank of England have said policy is "symmetrical" and that the markets could expect the Government to respond by raising interest rates if sterling weakened. They have insisted there is no mechanical relationship between exchange rates and interest rates but officials privately agreed yesterday that the logic of the Government's position pointed to higher interest rates.

In London, the pound lost 3 pence against the D-Mark and 1½ cents against the dollar. It fell more than 2 cents further against the dollar in New York although it was little-changed against the D-Mark.

The Bank of England's trade-weighted sterling index closed yesterday at 77.3 compared with 77.9 on Tuesday.

The index was last at this level when the Government cut base rates from 9 per cent to 8½ per cent. Base rates were at 8 per cent when the D-Mark was last trading around DM3.14.

Shares and gilt-edged securities in London rose in the face of sterling's weakness. Equities received a further boost from a steep rise on Wall Street on Tuesday.

Continued on Page 18

World Stock Markets, Page 37, London Stock Exchange, Page 36

### N Korea's creditors consider debt write off scheme

By Stephen Fidler in London

NORTH KOREA'S foreign commercial bank creditors are considering an unusual proposal for debt forgiveness which would write off more than two-thirds of foreign bank claims against the communist state.

The proposal, presented to a meeting in London yesterday attended by most of the country's 140 or so bank lenders, was accompanied by a goodwill payment to the banks yesterday morning of \$5m, the first payment of any kind received since 1984.

The proposal crystallises North Korea's debt at \$800m, including interest, of which they have agreed to repay 30 per cent by the end of 1991. The rest would be forgiven.

The country was declared in formal default by the banks last August, an unusual move which cleared the way for court action against the country in pursuit of the bank claims.

The proposal was presented by the two leading creditor banks, Morgan Grenfell of the UK and the Australia and New Zealand Banking Group. The meeting was said to have been receptive to the proposal, although it is not clear whether it will be universally supported by the banks. Many of them saw it for the first time yesterday.

The next scheduled repayment would be July 15. This suggests an ambitious timetable to finalise agreement on the repayments schedule, to win agreement from the bank creditors and to sign the accord with the Koreans.

North Korea's relations with commercial banks have been extremely difficult since the loans were made in the 1970s by the two bank syndicates. Since then and despite several reschedulings, interest payments have been rare and principal repayments non-existent.

Consequently, most banks will have already written off the loans. Some will see it, therefore, as a way to achieve some return on an asset on which they had given up hope, although there will undoubtedly be scepticism as to the likelihood of the country complying with the terms of the agreement.

The banks come from most western countries, except the United States, where they are forbidden by law to have dealings with North Korea. The syndicates cover just about all of North Korea's hard currency commercial debts apart from that, totalling perhaps more than \$1bn, owed to Japanese creditors.

## Brussels publishes options to combat sound and video pirates

BY WILLIAM DAWKINS IN BRUSSELS

THE EUROPEAN Commission yesterday put forward options for wide ranging European Community controls on commercial copyright piracy, the private copying of cassette tapes, and sound and video recording rental rights.

The long-awaited plans had been held up by a debate within the Commission over whether or not to propose an EC-wide levy on blank tapes, resolved by a compromise that would allow national levies to continue as long as they did not create trade barriers.

At the other extreme, Mr Karl-Heinz Narjes, the Industry Commissioner, and Mr Carlo Ripa di Meana, in charge of culture, were pushing for an EC-wide blank-tape levy.

On commercial piracy, the Commission suggests extending an existing Community regulation banning the sale of counterfeit goods to cover products that infringe copyrights.

It calls for tougher sanctions, including injunctions against persistent copyright pirates, wider confiscation of goods and equipment and suggests piracy should be a criminal offence in the EC.

Brussels estimates that pirated music accounts for \$1.2bn of the world recording industry's \$10bn annual sales, and pirate video recordings frequently outnumber legitimate ones.

The paper was adopted at a full meeting of the Brussels authorities, at which Mr Peter Sutherland, the Competition Commissioner, was opposing any kind of levy, while Lord Cockfield, his colleague in charge of the internal market and the paper's instigator, was prepared to turn a blind eye to existing national levies if they did not create trade barriers.

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## THE SUMMIT

## US claims progress on 'Start' treaty issues

BY STEWART FLEMING, US EDITOR, IN MOSCOW

A SENIOR Reagan Administration official said yesterday that during the Moscow summit the US and the Soviet Union had made significant progress in narrowing differences on several key issues which need to be resolved before a strategic arms (Start) agreement. A Start deal would be aimed at cutting up to 50 per cent of the superpowers' longer range and intercontinental nuclear missiles.

However, he made it clear that in one key area, submarine launched cruise missiles, no significant progress had been made. The US has been taking a tough stance, insisting that it is unlikely that a solid verification regime can be worked out for such missiles, and that they should be left out of any accord.

Moscow maintains that Washington is trying by this tactic to capitalise on what it perceives to be a US technological lead in this area.

But even in areas where "considerable progress" had been made - essentially constraining air-launched nuclear cruise missiles and mobile ground-launched intercontinental missiles - the official indicated that the five or six outstanding issues involved

some of the toughest disputes. He said that both Mr Reagan and Mr Mikhail Gorbachev, the Soviet leader, would like to see these problems resolved by the end of the year, but he did not offer a particularly encouraging assessment of whether this could be achieved. President Reagan said yesterday that Washington would not put itself in a weak negotiating position by setting any sort of deadline for completion of the treaty before he left office.

The summit communiqué goes over the basic outlines of the Start draft treaty that have already been agreed. This establishes ceilings of no more than 1,600 strategic offensive delivery systems and 6,000 warheads, as well as sub-ceilings of 4,900 on the aggregate of intercontinental and submarine-launched ballistic missile warheads, and 1,540 warheads on 154 so-called heavy missiles operated exclusively by the Soviet Union.

The overall verification regime for the treaty calls for a minimum for exchanges of data, baseline inspections to establish the accuracy of this data, on-site observation of the elimination of missiles, continuous inspection of

production sites, short-notice inspections of declared sites and sites where it is suspected missiles might be located, and a prohibition on concealment or activities which impede verification.

This verification system builds on the unusually intrusive verification methods in the Intermediate-

**Mr Reagan said the US would not put itself in a weak negotiating position by setting any sort of deadline**

ate Nuclear Forces Treaty the superpowers have now completed, which eliminates intermediate range nuclear missiles.

Over and above the general verification system under discussion, however, specific verification proposals and counting rules are needed for each major missile system.

In a detailed assessment of the state of negotiations regarding mobile inter-continental ballistic missiles (ICBMs) released yesterday, the US said it was sticking to the time being to its basic position that mobile missiles should be banned, but added that progress was being made towards a verification system which might lead it to abandon this stance.

This progress included acceptance by both sides that missiles and launchers would be confined to small restricted areas which would contain a limited number of missiles and launchers. The missiles and launchers would be allowed to leave the restricted areas for routine movement such as training, but each side would notify the other of such movements and of the missiles' return.

Rail mobile missiles would be confined to a limited number of rail garrisons, each containing a limited number of missiles. Each garrison would have no more than a specified number of rail entrances and exits.

Significant issues yet to be resolved on mobile missiles include the size of the restricted

areas and rail garrisons, what production facilities should be continuously monitored, whether the missiles should be tagged for ease of identification and what sort of suspect site inspection regime should be employed.

On air-launched cruise missiles, the main problems remaining were identified by the US as the need to work out agreed methods of distinguishing between nuclear and conventional ACLEMs, to work out rules for attributing an agreed number of missiles to each heavy bomber - because it is impractical to actually count the missiles on a bomber - and to define the meaning of "long range".

Both sides agree that in future conventionally armed and nuclear armed ACLEMs should be distinguishable from each other. Heavy bombers equipped with cruise missiles should be made distinguishable from other heavy bombers.

Each heavy bomber equipped with a nuclear armed missile should count as one delivery vehicle against the 1,600 limit on delivery vehicles and an agreed, but as yet not finally determined, number of warheads against the 6,000 limit on warheads.

## Gorbachev warns over breaches of Afghan agreement

BY QUENTIN PEEL IN MOSCOW

MR MIKHAIL GORBACHEV, the Soviet leader, issued a stark warning yesterday that any violation of the Geneva deal on Afghanistan would have grave consequences for attempts to reach peace agreements in other regional conflicts.

His hard line coincided with very modest progress on a whole range of negotiations on international trouble spots, including the Middle East, Southern Africa and Central America.

Although US negotiators insisted that no Soviet threats of action on Afghanistan were issued during the summit talks,

Mr Gorbachev talked tough in his final press conference.

"We shall remain true to the (Geneva) accord," he said, referring to the agreement providing for withdrawal of Soviet troops, and an end to support from Pakistan for the Afghan guerrillas fighting the Kabul regime.

He said that the Afghan agreement provided a precedent for other regional peace deals in the world. "If that precedent is ruined, that would have far-reaching consequences and affect the solution to problems in other regions."

He repeated Soviet accusations

that Pakistan was continuing to allow armaments and equipment to cross its border to the Afghan guerrillas. "There are attempts being made to frustrate the agreement," he said.

He cited an attack on the Soviet embassy in Kabul, and the killing of "several of our comrades" in the region of Kandahar, as they were preparing to withdraw. "We shall react accordingly."

The most tangible progress reported from the summit was on Angola, where the two sides agreed on a September target date for reaching an agreement. A new round of talks chaired by

the US and involving Angola, Cuba and South Africa, is expected to be called in Lisbon this month.

A senior US official said there was "some indication that there is important common ground on some aspects of the search for a solution". These included an agreement on the complete withdrawal of all foreign troops - both Cuban and South African - and agreement on the independence of neighbouring Namibia supervised by the United Nations.

On the Middle East, the progress was confined to some recon-

struction of the Soviet desire for a broadly-based peace conference, and the US insistence that only bilateral talks could solve the Arab-Israeli conflict.

Mr Gorbachev said that if a peace conference could be set up, the Soviet Union would reconsider its refusal to give Israel diplomatic recognition.

In an important reiteration of a more favourable attitude to Israel, he said: "We must recognise Israel's right to security, adding: 'We must recognise the right of the Palestinian people to self-determination.'"



Relations between Mrs Reagan and Mrs Gorbachev, allegedly a problem at the Washington summit, surfaced again yesterday. Though the two have held hands frequently during the Moscow summit, they appeared to quarrel at a photocall yesterday. "We have two different ways of living, two different philosophies," said Mrs Reagan.

## Statement stresses progress

THE following is an edited version of the joint statement issued at the fourth summit meeting between Mr Gorbachev and President Reagan:

The President and the General Secretary view the Moscow summit as an important step in the process of putting US-Soviet relations on a more productive and sustainable basis. The President and the General Secretary underscored the historic importance of this and previous meetings in laying the foundation for a realistic approach to the problems of strengthening stability and reducing the risk of conflict.

## Arms control

The President and the General Secretary determined objectives and next steps on a wide range of issues in this area:

• They noted that a Joint Draft Text of a Treaty on Reduction and Limitation of Strategic Offensive Arms has been elaborated. While important additional work is required before this treaty is ready for signature, many key provisions are recorded in the Joint Draft Text and are considered to be agreed, subject to the completion and ratification of the Treaty. Exchanges on Start resulted in the achievement of substantial additional common ground.

• They reaffirmed the commitment of the two sides to negotiations on issues relating to nuclear testing. As the first step they will agree upon effective verification measures which will make it possible to ratify the US-USSR Threshold Test Ban Treaty of 1974 and Peaceful Nuclear Explosions Treaty of 1976.

• They affirmed the importance of efforts to address the challenges of a chemical weapons ban and to achieve an effective convention.

• They emphasised the importance of strengthening stability and security in the whole of Europe. They welcomed progress to date on development of a mandate for new negotiations on armed forces and conventional armaments.

• They agreed to bilateral discussions at the level of experts on the proliferation of ballistic missile technology.

## Human rights

The leaders noted that dialogue should seek to maximise assurance of the rights, freedoms and human dignity of individuals; promotion of people-to-people communications and contacts; and active sharing of spiritual, cultural, historical and other values.

## Regional issues

Although discussions revealed serious differences both in the assessment of the causes of regional tensions and in the means to overcome them, the leaders agreed that these differences need not be an obstacle to constructive interaction between the US and USSR.

They reaffirmed their intention to continue US-Soviet discussions at all levels aimed at helping parties to regional conflicts find peaceful solutions which advance their independence.

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## US consortium agrees on fresh joint venture rules

BY QUENTIN PEEL IN MOSCOW

THE SOVIET government and a consortium of seven US corporations have agreed on new basic principles for joint ventures, allowing foreign exchange generated by one enterprise to be transferred to another selling entirely on the domestic market.

The deal allows much greater flexibility than the joint venture legislation generally in force, which compels any new enterprise to provide its own foreign exchange to pay for importing equipment and repatriating any profits to the foreign shareholder.

That requirement has effectively restricted all such ventures to export-oriented projects, limiting the possibilities for exploiting the domestic Soviet market.

The agreement was negotiated with the Soviet Foreign Economic Consortium by the American Trade Consortium, which involves Ford, Eastman Kodak, Johnson & Johnson, Chevron, R. H. Nabors, Archer Daniels Midland and the Mercator Corporation as merchant banker.

Future joint activities will be

based on what the Soviet authorities call "a more flexible interpretation of the principle of currency self-repayment."

All the US corporations involved in the consortium are exploring or actively negotiating joint ventures in their manufacturing fields, all of which are high priority areas for investment identified by the Soviet government.

Mr Vladimir Kamenshev, deputy chairman of the Soviet Council of Ministers responsible for foreign trade, said the agreement was "based on a new concept of trade and economic co-operation between the Soviet Union and the US. It is aimed at developing large-scale joint enterprise in the field of oil production, instrument making, automotive construction, medical equipment and the output of farm products."

In a separate announcement Dr Armand Hammer, chairman of Occidental Petroleum, said he had set up a new multi-national chemical consortium to produce plastics in Western Siberia.

## Boost for cultural and academic visits planned

BY STEWART FLEMING

THE US and the Soviet Union have agreed on what both call a dramatic expansion of school exchanges as part of a more active programme of academic and cultural exchanges.

President Reagan has stressed during the summit the importance he attaches to such exchanges, especially among young people. The move also fits in with the greater openness in Soviet society which Mr Gorbachev is calling for and to the increased attention which the Soviet Union is paying to the need to improve its access to new technologies.

Negotiations will begin immediately to create student exchange programmes between 100 Soviet and 100 American high schools per year, with a goal of swapping between 1,000 and 1,500

high school students in each direction within two years. The current agreement would allow no more than 50 Soviet-American student exchanges.

Mr Charles Wick, the director of the US Information Agency and a close friend of Mr Reagan, said the US envisages that although federal funds will be provided for certain organisational and administrative tasks, the bulk of the support would come from private sector sources.

During the summit the superpowers also signed a second three-year agreement on bilateral educational and cultural activities. Among the new moves that are to be implemented are a doubling in the Soviet circuit in America Illustrated, a US magazine, and in America of the magazine Soviet Life.

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But to care as you would for a much-loved close relative will cost us well over £6 million. Some will keep beneficiaries in modest comfort in their own homes, surrounded by familiar belongings, and some will help to meet the fees of people in Nursing Homes. Most of it will go to maintain our own 13 Residential Care and Nursing Homes, where the sick and frail are cared for among others of similar background and interests.

To find the money we need, our advisers urge us to ASK THE CITY. So we are asking - on behalf of hundreds once very much like you who will be lifted from future anguish and poverty only if Companies like yours heed our call.

We are a prudent charity with low administration costs. Please call Laurie Crosland if you would like more information.

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## Craxi shadow casts Italy's Communists into gloom

BY JOHN WYLES IN ROME

THE ITALIAN Communist Party, which little more than 10 years ago appeared on the brink of government, was yesterday like an animal frozen with fear in the headlights of a car. While forecasts of its demise are still premature, the party's leadership clearly has to react quickly to the looming threat posed by the Socialist party and its canny leader, Bettino Craxi, or it may be left maimed at the roadside.

What may actually have happened in last weekend's local elections is now less important than what people think has happened. In the judgments of politicians and media observers, it counts for little that only a sixth of the electorate was voting, nor that local issues were obviously paramount in some areas.

According to the pundits, the key phenomenon is that the PCI is perceived to be sliding and that with only 3.6 points between its vote and that of the Socialists, the party's urban, blue-collar base shrinks without any compensating gains among the young, better educated and increasingly affluent technical and professional classes.

At the same time, the party is less and less a refuge for the general protest vote against "the system", nor is it able to harness new "quality of life" movements which are partly finding expression through the Greens.

But it has managed to survive at a much higher level of support than its French, Spanish or British counterparts by progressively abandoning Marxist-Leninist principles in favour of pragmatic adjustments which have led it to embrace Nato, the European Community and most aspects of the market economy.

But its image is confusing. Many of its leaders travel frequently to the Soviet Union and hardly ever to the US and while it counts itself a member of the "European left", it will not embrace social democracy.

In the 1980s the PCI distanced itself from Moscow during the leadership of Enrico Berlinguer, whose death in 1984 robbed the party of a charismatic figure with a sizeable personal following. His successor, Alessandro Natta, was always seen as a transitional figure and now that he has been laid low by a heart attack, the party's internal debate on how to halt its slide will focus on the succession.

Growing collaboration with the governing parties has done nothing to end the party's isolation nor to present it as a credible vehicle for change. Mr Craxi, by contrast, is emerging as a convincing reformer (albeit a very mild and water Socialist) by insisting on social, economic and political modernisation as his price for collaboration with the Christian Democrats.

the five-party government coalition, the Socialists have had their bargaining hand strengthened not only by evidence of their growing vote-winning power but also because Prime Minister Ciriaco De Mita will be less able to use the threat of a Christian Democrat opening to the Communists to keep Mr Craxi in line.

The paradox and the danger for the Christian Democrats, whose own vote held up well, is that their main governing partner is also the putative leader of a future left-wing alternative (embracing the Socialists, the Communists, the Social Democrats and the Radicals) designed to push them into opposition for the first time since the war.

Explanations for the PCI's decline are both social and political. The more Italy becomes a "post-industrial society", the faster the party's urban, blue-collar base shrinks without any compensating gains among the young, better educated and increasingly affluent technical and professional classes.

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## Bochum hitches its wagon to 'Starlight Express'

IN ONE of her songs, Ulla Meinecke, the popular Frankfurt-born singer, affectionately likened her home town to a lavatory seat. In his last album Herbert Groenemeyer, the bard of Bochum, an industrial city of just under 400,000 in the heart of the Ruhr, crooned lovingly of his birthplace as a bloom in the heart of the black country.

Now Bochum's city fathers have decided to do something about its image as an unattractive string of communities in an economically-crippled region. As their vehicle, they have chosen "Starlight Express", the spectacular Andrew Lloyd Webber musical about racing railway engines that has pulled in crowds in London, New York and Tokyo.

Bochum? "Why not," says Mr Fritz Kurz, the London-based West German impresario whose Hamburg production of "Cats", another Lloyd Webber hit, has already been seen by 10 people since its opening in 1985. "I always felt 'Starlight Express' didn't work as well as it could when restricted to an old Victorian theatre," he says. "So we developed the concept of an amphitheatre."

Generally, Bochum and the state government of North Rhine-Westphalia shelled out almost DM20m (£7.4m) between them to build Mr Kurz and his team the stage of their dreams. Last Friday should have seen the first night, but it had to be

postponed for technical reasons. But despite the show's late running, locals still had plenty to celebrate. For "Starlight Express" is just part of the town's attempts to put its name in lights.

Thursday saw the opening of the Aquadrom, a DM55m indoor swimming and leisure complex looking like a cross

between an Islamic temple and a tangle of giant flexible drinking straws. An 800-bed hotel is to follow.

Not all of Bochum is enraptured by the ventures, however. Representatives of the local Anarchists School Students Union, the Communist Party and the environmental Greens were out in force handing out leaflets to guests at the Aquadrom's opening jamboree criticising the expense at a time of severe spending cuts for other civic services.

The Aquadrom is in fact a private venture by Mr Heinz Steinhardt, an entrepreneur from the economically booming southern state of Baden-Württemberg, who wants to build a chain of such centres across West Germany and spread a little southern prosperity up north. He already has plans for a second complementary complex in Bochum.

The city only paid DM1.4m towards the Aquadrom, says Mr Johannes Freimuth,

Bochum's jovial councillor for economic development. The council carefully investigated Mr Kurz's track record before giving the green light - some members even went to London to judge "Starlight Express" for themselves.

Like other towns in the region, unemployment (over 16 per cent) has hit Bochum hard. About one third of the jobless receive supplementary benefit, which largely comes out of civic coffers, and money will become tighter still after 1990, when Bonn's tax reform package promises to cut about DM175m a year from civic budgets in North Rhine-Westphalia.

Bochum has some special problems of its own. It has inherited a legacy of contamination from the many cokeries adjoining the city's 20 once-active pits. The danger of subsidence was investigated carefully in the early 1960s, when the town persuaded Opel, the car manufacturer, to set up an assembly plant. The Opel works helped take much of the sting out of the coal crisis at the time and now employs 17,000 people.

But the cokeries left a noxious cocktail of debris whose emissions have polluted the neighbouring soil. Just replanting with new top soil, as is often done with simple slag heaps, is not enough.

The pollution problem has left Bochum at a serious disadvantage when competing for

### European Diary



### West Germany

new industry. Not only has it blackened the city's image, but the town plan's strict zoning has severely limited the amount of land available for industry. "We have about enough for another year," says Mr Freimuth.

The answer is new technology. Bochum is to be the base for a new company, sponsored by the state government, which will develop techniques for "recycling" contaminated soil. Similar pollution problems exist in many other coal-mining regions around the world and Bochum hopes to become an international centre for such restorative research and technology.

A DM12m plant using thermal techniques to purify contaminated soil is already on the drawing board and building

should start next year. The technology has been proved in the Netherlands, but the cost of digging up contaminated soil, shipping it back after treatment is prohibitive. "It will cost about DM150 a cubic metre," says Mr Freimuth.

So the aim is to find cheaper chemical, microbiological or washing techniques. "Matters are still at the research stage," says Mr Freimuth, but he hopes the city's university, set up in 1982 as Germany's first new centre of higher education after the Second World War, will be able to take a lead.

In the meantime, the city is determined to create jobs and improve its image in whatever way possible. Some 130,000 tickets for "Starlight Express" have been sold already. The locals, a remarkably friendly bunch considering Bochum's problems, are generally behind the show, although there is some grumbling about high ticket prices at up to DM50 (DM50).

The city council has a contingency plan to turn the "Starlight Hall" into a multi-purpose conference centre if it all flops, although that seems unlikely. A failure would entail more than DM2m in conversion costs and no doubt bring down the curtain on a few political careers as well. But given the number of obstacles on its tracks, Bochum's efforts to get up speed are hard to fault.

## European central bank 'should be autonomous'

BY LAURA RAUN IN AMSTERDAM

THE FUNDAMENTAL aim of any European central bank should be price stability, and to achieve this it must be autonomous, Mr Wim Duisenberg, president of the Dutch central bank, said yesterday.

He told the American-Dutch Chamber of Commerce: "Experience has shown... that the level of inflation is well-nigh inversely proportional to the independence of the central bank vis-à-vis its government. This independence must also be guaranteed for the European central bank."

He did not comment on recent West German suggestions that the Bundesbank board be broadened to include non-German members.

The Dutch believe a European central bank must be accompanied by unification in several policy areas, notably budgetary matters. They say the current disparity in fiscal practice among European Community members would make common monetary policy virtually impossible.

Mr Duisenberg expressed full support for the idea, long aired by Mr Nigel Lawson, the UK Chancellor of the Exchequer, of a "managed float" to bring greater stability to the world's foreign exchanges. "I am much taken with the importance which these British plans attach to price stability," he said.

The Dutch rarely pass up a chance to urge Britain to join the exchange rate mechanism of the EMS. Mr Duisenberg made the usual plea yesterday, adding that full participation would require "interest rate policy (to) be largely attuned to external equilibrium."

He added that European countries which were outside the EMS, such as Norway and Sweden, could as a first step seek to align their exchange rates with the EMS.

"With a broader base, the European countries would diminish their vulnerability to the movements of the dollar, and achieve a stronger position for co-operation with the US in order to gain more international exchange rate stability."

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### GLOBAL INTEGRATION OF JAPANESE MANAGEMENT

## Dawn of the Age of Global Finance

As one of Japan's leading securities houses, Wako Securities has extensive domestic finance and international securities activities. In particular, it is a leader in the field of fund management, thanks to its dictum of putting clients first. President Tsunejiro Tanno outlined the group's activities and aims.

By Brian Robins



Mr. Tsunejiro Tanno, President, Wako Securities Co., Ltd.

### Hedging options to expand

Together with the ongoing strength of equity markets in Japan, investors will be able to more fully hedge their risk through proposed new futures and options products that are due to be launched this year.

Tokyo's capital markets are becoming more diversified with, for example, expansion of the futures market and also, private investors are coming into the market as well as more and more international investors.

"The introduction of futures and options is one feature of this," Tanno points out, "so we must diversify to meet customer needs. In futures and options, we are developing systems for risk hedging—portfolio insurance and programme trading. We are also developing an advanced portfolio model of an index fund based on the TOPIX. We have planned a number of new products, including the portfolio addition of futures and options instruments to our investment trusts. And we will soon have an in-house trading system for more accurately balancing ordering."

Just how far Wako Securities goes down the track of introducing programme trading, or variants of this technique, is still being studied internally although, even if introduced, it is unlikely to be in a form similar to that seen in the USA, which has proven so controversial.

### Competitive pressures mount

Along with the additional products which Wako Securities will be able to handle on behalf of clients, competitive pressures are mounting, following the recent addition of a further 16 foreign firms as members of the Tokyo Stock Exchange, bringing the total

past decade, Wako Securities' returns on funds under management have led the industry.

"The reason we are so strong in this field," says Tanno, "is our management philosophy of being a company that prospers along with our customers. We put our customers first."

Another reason for its success in this field is the well renowned expertise of Wako Research Institute of Economics Inc, which has built an unrivalled reputation in Japan over the past decade.

"As a base of our information and analysis we use the Wako Research Institute of Economics, which does an excellent job of stock selection," says Tanno. "We also place emphasis on our computer systems."

Wako Securities foresees increasing globalisation not just in the field of securities trading, but also in funds management, and its proven record leaves it well placed to pursue new opportunities as and when they arise.

"From now on," Tanno says, "I think that our domestic and foreign business will become more unified. And with globalisation of funds management, I think we would be interested in working with foreign firms, when appropriate."

### Tokyo market surge to continue

Wako is likely to post strong earnings this term, underpinned by a bullish Tokyo market, which has surged further ahead, reaching new peaks—in sharp contrast to both New York and London.

"Last October 19," says Tanno, "there was a crash in all major stock markets. Since that time, London and New York have recovered only one third or one fifth, yet Tokyo has recovered fully, reaching a new high."

"Why? In Japan, we are experiencing a very strong economy; domestic demand is expanding, and consumer demand is very strong."

"As a result, Corporate earnings are rising quickly and the economy is making progress. If commodity prices don't rise over time, the Nikkei average of leading stocks could rise to as much as 32,000 points within this year."

"But we have to be careful of the twin deficits of the US economy—its budget and current account difficulties. We don't expect any major changes in the US until after the Presidential election."

Wako Securities is one of the largest securities companies in Japan, with over 70 domestic offices, and nine overseas, including London, Geneva, New York, Hong Kong.

Its domestic operations extend from stock and bond dealing on behalf of clients, investment trust management, venture capital finance, through to operating a highly respected economic think-tank.

Given Wako Securities' sizeable domestic activities, at present its international business accounts for around one fourth of the entire operations.

"The Tokyo market has grown substantially, today accounting for approximately 42 per cent of market capitalization in the major world stock markets on a US dollar basis," says Wako Securities President Tsunejiro Tanno.

"Increasingly, foreign securities houses are coming to Tokyo, and Japanese securities houses are going abroad. So, I don't think that the present ratio of our business will change all that much in the future."

"But as this business is becoming more globalised, we are certainly looking for more growth. As far as future developments overseas are concerned, our network is in place, but we would certainly expand into South East Asia, Taiwan and Korea when these countries are liberalised."

"What we can say is that the world is becoming one. What we do in Japan and overseas will become more unified, lessening the distinctions between the domestic and international markets."

Unique among the larger Japan's securities houses, Wako Securities has particular strengths in the field of funds management, positioning it to benefit from the growing internationalisation of this sector.

### Funds management key

"Our business is in handling stocks and securities," argues Tanno, "and we place much importance on the management of funds. We feel that this is one of our strengths, and we will continue to lay emphasis on this area."

"In the field of investment trusts, for example, we have offered the top performance in terms of the rate of return. This March, we had ¥1.5 trillion in funds under management, and both our performance and the total funds under management continues to expand."

In all but one year over the

## Bulgaria may again delay party plenum

By Judy Dempsey in Vienna

THE DELAY in fixing a date for this month's central committee meeting of the Bulgarian Communist Party is fueling speculation in Sofia that the leadership is hesitant about the draft ideology document it is to discuss.

The central committee plenum, originally scheduled for early May, was postponed until mid-June but could possibly be put off again until after the Soviet national party conference which opens at the end of the month.

So far, Rabotnichesko Delo, the Bulgarian party daily newspaper, has published only a part of the draft policy document drawn up by the politburo. The document was supposed to have been thrown open for "public discussion" before the plenum.

The Bulgarian authorities have adopted a cautious approach towards introducing economic and political reforms. Mr Todor Zhivkov (77), party leader since 1954, has also appeared hesitant about the pace and direction of reform.

## Turkish PM seeks to ease his country's debt burden

By Jim BODGEN in ANKARA

TURKEY'S Prime Minister, Mr Turgut Ozal, left Ankara yesterday for New York to attend the United Nations disarmament special session and to discuss Turkey's pressing external debts with bankers.

Top of his agenda in talks with the latter is the rescheduling of a large part of Turkey's Foreign Military Sales (FMS) debts to the US. Around \$1.5bn could be rescheduled into US bonds in an initiative launched in Washington and New York last month by Mr Rasud Saracoglu, the governor of Turkey's central bank.

The high interest FMS debt, with rates of between 14-18 per cent, would be converted into bonds carrying rates of 9.5-11.5 per cent, according to a deal arranged by Lazard Freres, Bankers Trust and Solomon Brothers.

The FMS credits carry the high interest rates because of the cost of extensive guarantees provided both by the US administration and the Turkish government.

In advance of Mr Ozal's planned visit to Athens on June 12, Cyprus is expected to figure large in a meeting tomorrow with Mr Javier Perez de Cuellar, the UN Secretary-General.

A Turkish lawyer shot dead a prominent businessman and two other men in a bar at a central Ankara hotel yesterday and then killed himself, Reuters reports.

Police are investigating motives for the mid-afternoon killings of Mr Niyazi Adiguzel, the Istanbul Chamber of Commerce president, Mr Davut Celik, head of Deyan Aluminium, and journalist Mehmet Isik.



## EUROPEAN NEWS

## West German economy tops growth forecast

BY DAVID GOODHART IN BONN

THE WEST GERMAN economy grew slightly faster than expected in the first quarter and may now exceed the 2 per cent growth prediction for the year. The Economics Ministry said GNP rose by a real 1.5 per cent in the first quarter and was 4.2 per cent higher than in the same period last year, stronger year-on-year growth than in the US.

After good retail and production figures, a healthy first quarter, though expected, still exceeded expectations. The Ministry said: "Barring severe external disruptions, the upper limit of 2 per cent growth predicted in the (Government's) 1988 economic report could be exceeded."

There was some scepticism, none the less regarding the provisional nature of the figures and widespread agreement that special factors, particularly the mild winter, had created some distortion.

The construction industry, for example, grew by 20 per cent on a year-on-year basis mainly because of the contrast between 1987's severity and 1988's mildness. The effect will reverse in the second quarter because of the backlog effect in 1987, and the DIW economic institute in West Berlin is expecting GNP to fall by a seasonally adjusted 1 per cent.

Most economists have been predicting slower growth in 1988 with the country's five economic institutes forecasting real GNP growth of 1.25 per cent in contrast to the Government's 2 per cent. However in the light of yesterday's news those figures may be revised upwards.

Mr Giles Keating of Credit Suisse First Boston in London said: "While the underlying position is not as good as these figures make it seem, it is fair to say that West Germany now has a buoyant economy." Mr Richard Reed of Phillips and Drew added: "The figures suggest that while there are clearly still problems we may have been exaggerating them a little."

The D-Mark received a considerable fillip on the foreign exchange markets despite the fact that the Bundesbank made clear there was no likelihood of an imminent increase in interest rates. Analysts agreed a rise was most unlikely before the French elections and not probable until much later in the year.

The Economics Ministry pointed out that on an adjusted basis consumer prices had remained stable in the first three months and year-on-year prices rose by only 1 per cent. It was now important for the Government to press on with its programme of reforms to the tax system, the financing of the health service and the telecommunications system.

Despite the faster than expected growth, and a surprisingly strong export performance, private consumption is likely to slow over the coming months and conditions in the labour market have not improved comparing first quarter 1988 with the same period last year.

Most economists also point to the negative impact of the increases in consumer taxes planned for 1989 and 1991 which have helped undermine any positive benefits from the tax reform due in 1990.

Mr Gerhard Stoltenberg, the Finance Minister, recently reduced the sum he expects to raise from the 1989 increase - probably on petrol and tobacco - from DM100bn (€3.2bn) to DM55bn. However he also stressed that because of the budget deficit and higher than expected payments to the EC, a further rise in consumer taxes would be necessary in 1991. This has angered the Christian Democrat coalition partners the Free Democrats but the latest positive economic news will no doubt strengthen Mr Stoltenberg's hand, while also reducing the budget deficit problem a little.

The Commission yesterday criticised sharply new Reagan Administration moves to reduce the amount of land that US wheat farmers have to take out of production in order to qualify for domestic price support. The level of this "set-aside" has been cut from 27.5 to 10 per cent for 1988/89.

Warning that this could "destabilise" the world wheat market, Brussels officials estimated that each percentage point cut in the US set-aside ratio could raise production by 700,000 tonnes.

The latest moves on both sides of the Atlantic could further aggravate the dispute over farm subsidies which, in turn, threatens to torpedo the current Uruguay Round of the Gatt trade negotiations. The US has expressed itself unimpressed by the farm spending reforms agreed by EC leaders earlier this year. The impact of these is, however, clear in the 1989 budget plan.

The Commission's draft budget, which will get a first reading from the European Parliament this summer and should win final approval by EC governments and MEPs by the year's end, calls for a 0.6 per cent rise to Ecu33bn in so-called obligatory (mainly farm) spending next year. Special price stabilisers have been designed to curb over-production of all key farm commodities.

By contrast, the Commission is proposing a 20 per cent increase in "non-obligatory" spending to Ecu15bn. This latter category includes technological research (Ecu1.5bn) and structural economic assistance (Ecu3.3bn) to poorer Community regions.

Increased structural aid has been the price demanded by poorer EC member states in return for agreeing to the "internal market" measures believed to be mainly of benefit to the more industrialised states. But the cost of the much-vaunted internal market programme to the EC budget is minimal.

In a separate development, the higher figure for depreciation in line with the new approach, agreed in principle by heads of government in February and already incorporated in this year's budget, to value stocks on a more realistic basis. The gap between the Ecu12bn-Ecu13bn at which stocks are currently in the Community's books and the Ecu1.5bn-Ecu3bn which they are thought to be worth on the world market will be successively reduced by further depreciation in future years.

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## OVERSEAS NEWS

## Inflation surge worries Peking

By Robert Thomson in Peking

THE politburo of the Chinese Communist Party last night issued a document calling for political and national unity as the country tackles rising inflation that is undermining support for the ambitious economic reform programme.

Zhao Ziyang, the party general secretary, had earlier addressed Politburo members, and, according to Chinese officials, conceded that there is a crisis of confidence among ordinary Chinese because of inflation and emphasised the need for "mental preparation to deal with the current serious problems".

The party apparently reckons that inflation this year will reach 15 per cent, up from 7.3 per cent last year and the target figure of 10 per cent two months ago at a meeting of the National People's Congress, the Chinese parliament.

But the Politburo resolved that reform must not be slowed despite the "dangers". "The present reforms have entered a critical phase," the Politburo document said. "International experience and domestic practice show us that the longer such difficult problems last, the more difficult they become to solve."

In a sign that the inflation problem has divided the senior ranks of the party, the Politburo called on the "whole party to develop a 'unity of thinking and action' in the 'march against the stormy waves'". The meeting, also reflecting concern at a state of worker go-slows in protest at price rises, urged "all people" to unite in supporting reform.

Chinese economists have been debating the introduction of wage indexation as a means of curbing inflation, but it is understood that the proposal was one of several options discussed at the three-day Politburo meeting.

Zhao also apparently spoke of the need to bridge the fast widening gap between rich and poor with a new range of taxes.

## China begins HK soundings

By David Dodwell in Hong Kong

CHINA yesterday began an effort to glean Hong Kong reaction to its proposals for a post-1997 constitution for the territory with the arrival of Ji Pengfei, the State Councillor with prime responsibility for Hong Kong affairs.

Ji Pengfei's 10-day visit marks the start of a three-week opinion gathering exercise by law drafters and constitutional experts from Peking on public attitudes towards the draft Basic Law - the document published a month ago intended to be a blueprint for Hong Kong's constitution once it becomes a special administrative region of China.

His visit comes at a time of unprecedented diplomatic activity focused on Hong Kong. China's Vice Premier with responsibility for the country's special economic zones, Tian Jiyun, left Hong Kong only five days ago after a six-day "stop-over" in the territory.

Sir Geoffrey Howe, Britain's Foreign Secretary, also flew out of the territory only two days ago.

Richard Gourlay reports on Manila's increasingly casual attitude to human rights abuses

FINISHED outside Bishop Antonio Fortich's office is a photograph of a woman whose jaw has been shattered by gun shots, leaving a shocking, bloody hole. Alongside her the bodies of her husband and their six year old daughter, whose dress is perforated by a row of bullets.

In all, five of the de los Santos family were shot dead on April 4 in the Bicol region, capital of the island of Negros.

Three days after they died, a Philippine Army Scout Ranger unit admitted responsibility but claimed the family was caught in "crossfire during an encounter" with communist rebels.

The villagers and priest in Himamaylan, where the 47 year old Reynaldo de los Santos was a leader of a church organisation, said no encounter ever took place. They suspect the soldiers killed the de los Santos because they believed he was a communist sympathiser.

Such horror stories do not happen every day and are certainly not as common as when President Ferdinand Marcos was in power.

But slowly, respect for human rights in the Philippines appears to be deteriorating once again, as does daily life for the people caught in the middle.

When asked about Himamaylan, a senior military officer here ignored the actual killings and

## Mass Palestinian sackings likely

BY ANDREW WHITLEY IN JERUSALEM

THOUSANDS OF Palestinians employed by the Israeli Government in the occupied West Bank and Gaza Strip face dismissal over the coming months and years because of acute financial troubles of the local, military-run administration.

The crisis stems directly from the near six-month-long Palestinian uprising, or *intifada*. Tax revenues, the mainstay of local expenditure, have collapsed - partly because of a civil disobedience campaign - and the central government is refusing to make up the difference.

Following a plea on Monday from a Palestinian delegation not to cut the health budget, Mr Yitzhak Rabin, the Defence Minister, made it clear that whatever solution was adopted, there would be no bail out from the Israeli treasury. They will not get one.

In response to the revenue shortfall, welfare payments normally provided to needy Arab families have already been halted. So has all development spending. But more severe cuts in the estimated \$300m budget of the Civil Administration have been foreshadowed over the past few days by top Israeli officials.

One senior Defence Ministry official calculated that between 20 and 30 per cent of the Administration's 17,000 local employees will have to be dismissed.

Another official, Brig-Gen Shaike Erez - the administrative head of the West Bank - said that taxes may also have to be raised. Business in the West Bank and Gaza Strip has been plunged into chaos by the regular strikes called by the uprising's underground leadership. Restricted shop hours, together with curbs placed by Israel on the remittance from abroad of payments or on the marketing of goods are further aggravating an economic situation Gen Erez described yesterday as "very bad".

Apart from the unrest-induced recession, the Civil Administration - a self-financing branch of the Israeli Defence Ministry - has also been hit hard by clandestine calls on businesses and individuals not to pay taxes.

In a bid to improve its own parlous financial situation and restore Palestinian dependency on the Israeli administration, services will in future be provided only on production of proof of payment of all taxes.

In its 1987-88 financial year, the Civil Administration had a balanced budget equivalent to \$328m: \$240m was allocated to the "regular" budget, covering running costs, and for development expenditure; a further \$88m came in a supplementary budget.

THE BUREAU OF Statistics reported that gross domestic product grew 5.1 per cent in the 12 months to March. An estimated 4.7 percentage points of the expansion came from surging domestic demand, the remainder from net exports.

As money market interest rates firmed in response, the Australian dollar finished in Sydney at a two-year high of 98.5 on a trade weighted basis (May 1970-100), up 0.7. Against the US dollar it stood at 82.5, the highest in three and a half years.

The All Ordinaries index has gained almost 100 points since Mr Paul Keating, the Federal Treasurer, delivered his mini-budget a week ago, and is at its highest since the week of the market crash last October.

Also released yesterday were figures showing a plateau in the growth of Australia's external debt. Gross debt at the end of March was A\$12,040m (\$4,870m), up marginally from A\$11,880m. The net debt figure was A\$88,460m, just over 31 per cent of GDP, up from A\$86,950m.

Mr Keating said the economic figures underscored the Government's recent tightening of fiscal policy to cut overall domestic demand. The measures, he added, would allow the country to continue to reduce its current account deficit.

The figures showed private consumption contributed 1.6 percentage points of the 5.1 per cent growth in GDP, while public sector consumption contributed 1.0 points. Housing investment added 0.6 percentage points, and business investment 0.7 points.

Economists expressed relief that the net contribution from exports remained positive, at 0.4 percentage points. Concern has been growing that the domestic sector - particularly consumption - has recently made too great a contribution to growth at the expense of the external sector.

Bids at yesterday's Reserve Bank tender of A\$600m-worth of 13-week Treasury Bills pushed yields to 11.95 per cent from the previous week's 11.50 per cent. The Bank's rediscount rate is currently 12.5 per cent.

World Stock Markets, Page 31

## S Africa unions to stage protest

SOUTH AFRICA'S two main black trade union federations, putting aside ideological differences, said yesterday that they would stage a three-day anti-government protest next week, beginning on Tuesday, representing 15m black workers.

The National Council of Trade Unions (Nactu) said in a joint statement it would hold a peaceful protest from June 6 to 8, at the same time as an action declared last month by the largest federation, the Congress of South African Trade Unions (Cosatu).

The protests are aimed at the Government's effective banning in February of 17 leading anti-apartheid organisations and against a proposed new law curbing union rights.

South Africa's emergency regulations forbid the unions from publicly declaring the form the protest will take.

Some large employers have said they may take action other than just docking pay if Cosatu members, who include gold and coal miners, metal and food workers, stay away from work.

At an emergency meeting of 200 religious leaders in Johannesburg on Tuesday, representing 15m black workers, a majority including Anglican Archbishop Desmond Tutu voted to back the union action.

The Christian, Moslem, Hindu and Jewish delegates were divided on the issue, however, according to church sources.

Cosatu has signed up members are largely sympathetic to the outlawed African National Congress (ANC), which recruits among all races to fight for a non-racial democracy.

By contrast Nactu, with 450,000 members, identifies more closely with the black consciousness Azanian People's Organisation, which excludes whites because it argues blacks should fight alone for their own rights.

However, Nactu officials met the ANC in Harare last month and agreed there should be a united action between the two labour movements.

South Africa has nuclear weapons and a strategic motive for using them, President Robert Mugabe of Zimbabwe said yesterday. Reuter reports from the United Nations.

The only possible targets for these weapons are blacks, "a people the racist Pretoria regime has historically treated as sub-humans," he said in prepared remarks to a UN special session on disarmament.

Mr Mugabe is chairman of the Non-aligned Movement. He appeared at the UN in that capacity as well as a head of state.

According to reports over several years, South Africa has a nuclear potential. Mr Mugabe said Pretoria had introduced nuclear weapons into Africa, thwarting African leaders' efforts to have the continent declared a nuclear-free zone.

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Earlier in the month, parliament all but shelved other work as it sought to agree on items of the defence budget, which amounts to 47 per cent of total government spending for the year, and on allocations for the Finance Ministry. Defence budget cuts totalled T\$708m from the proposed T\$268bn figure.

During the day, MPs considered items such as subsidies to the Government Information Office and the ministries of education and economic affairs.

Mr Dedi Zucker of the Citizens Right Movement said the official, whom he refused to identify further, spoke during a meeting with legislators.

Mr Yitzhak Rabin, the Defence Minister, who held two meetings in the past week with Palestinians from the occupied lands, said Tuesday he would continue such talks "even if people who hold extreme views."

He told Israel radio he decided to arrange the talks because he was convinced the Palestinians now realised that "with stones and firearms they can achieve nothing". In the past, Mr Rabin has said he would not meet with Palestinians until the violence stopped.

Record Taiwan budget passed

By Bob King in Taipei

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## OVERSEAS NEWS

Maggie Ford in Seoul reports on growing resentment of the pervasive presence of the US military

## US in South Korea: defender of the faith or divider of a nation

IN THE CENTRE of Seoul, a crowded city of 10m people with a shortage of parks and a growing traffic problem, it is possible nevertheless for a select few people to play golf.

Almost all of these privileged players are American, for the course is part of a large US military base.

The base has occupied its prime riverside site since the end of the Second World War.

Next to the headquarters of the South Korean military, the US base is a highly visible symbol of a style of relationship between the two countries which some South Koreans feel is quickly becoming out of date.

Others, especially students, take a more radical view, believing that the relationship is a deterrent both to the longed-for reunification of the peninsula and to the speedy introduction of democracy in the South.

The latter group stepped up its attacks on the US presence last month on the anniversary of the 1980 killings in Kwangju, a provincial city where at least 200 died when the military put down protests at the regime of ex-President Chun Doo Hwan.

Students have marched on two cultural centres and the US embassy in Seoul with home-made fire bombs, shouting "Yankee, go home."

If the 43,000 troops were to leave, the US Defence Department would lose far more than Yongsan base.



A US serviceman controlling Korean civilians at the "Peace Bridge" on the Imjin river ceasefire line between North and South Korea. The Peace Bridge leads to the heavily fortified demilitarised zone (DMZ) and the trip is popular among South Korean tourists.

US troops, aircraft and weaponry, both conventional and nuclear, have a dual role: to help defend the country from the Communist North and, perhaps more importantly, to play their part in Pacific defence against the Soviet presence in Moscow's own far eastern territories a few thousand miles north of the peninsula.

With the US bases in the Philippines attracting strong criticism, Pentagon officials are expected to resist strongly any

efforts to reduce their role in South Korea.

However, the growing anti-Americanism could spur a change in the operational control of the forces, not least because it is arguably in Washington's best interests to do so.

Anti-US sentiment has grown fairly recently in South Korea as the younger generation has focused attention less on the Korean war in the 1950s and more on the period following liberation from the Japanese colonisers in

1945. Young South Koreans blame both the Soviet Union and the US for the division of the nation and are suspicious of the motives and activities of the US occupation forces which have controlled South Korea until 1948.

Little objective analysis of the period is available to students who have mainly been exposed to ideological propaganda which they increasingly refuse to believe.

Unlike the older generation

they are also less likely to accept the Government's view about activities and motives in North Korea.

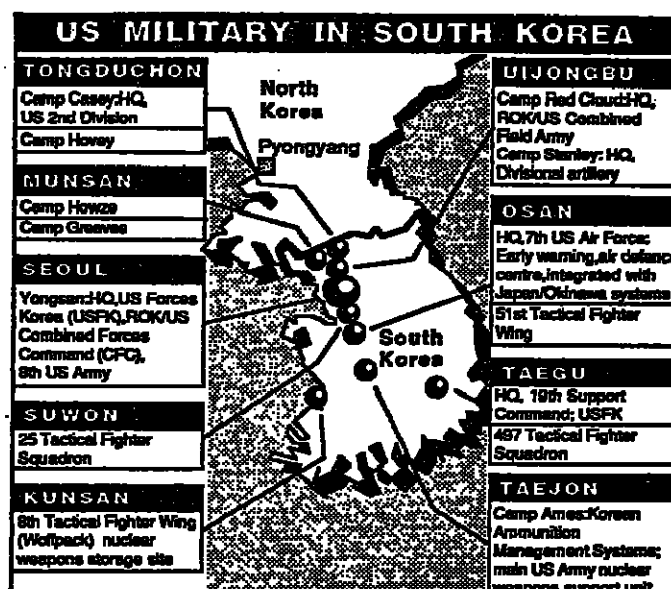
Allied to the belief that the US bears blame for the division is the feeling that Washington has supported dictatorial leaders - particularly the widely disliked former President Chun - against the public wish to introduce democracy.

Many students believe that the US military knew about and acquiesced in General Chun's

1979 military coup and his later decision to send troops to Kwangju.

The South Korean Government is expected shortly to come under strong pressure to reveal the facts about the Kwangju incident at the new National Assembly where the Opposition has a majority.

US officials say that they have no control over certain individual South Korean army units under the combined forces agreement and could not have prevented



either the coup or the Kwangju killings.

Mr William Gleysteen, the US ambassador to Seoul in 1980 said last year that the US had agreed that a division of troops should be sent to Kwangju after 10 days in order to end the matter.

These troops were responsible for a relatively small number of deaths.

Anti-American attitudes have also been stirred recently in the wider community by heavy-handed US tactics in trade negotiations.

South Korean producers are outraged that US cigarettes are to be sold cheaply in Asia at the same time as US tobacco farmers find the home market shrinking due to health concerns.

Indebted livestock farmers have demonstrated against imports of US beef.

Observers believe that the US decision to pursue beef imports when the matter is highly sensitive and the small \$20m market was formerly supplied by Australia reflects a failure in Washington to work out detailed policy in the best interests of the US. Both the US and South Korean Governments are now soft pedalling trade issues in the hope that public anger will die down.

But until Seoul accedes to demands for more democratisation, probably allied to progress in dialogue with Pyongyang, Washington is still likely to receive at least part of the blame for student dissatisfaction.

## Israel losing fight to lure Soviet Jews

By Andrew Whitely  
in Jerusalem

SOVIET Jewish emigration last month reached the highest levels seen this decade, but only a tiny fraction of the emigrants are coming to Israel.

The issue is provoking deep annoyance within the Likud half of the Israeli coalition Government, and anguish among Soviet Jewish emigré organisations, a powerful lobby.

The Geneva-based Intergovernmental Committee for Migration reported yesterday that, during May, 1,145 Soviet Jews arrived in a Vienna transit camp.

By contrast, only 943 left in the whole of 1987. The overwhelming majority of the emigrants use the stopover to apply for US visas instead of going on to Israel, their stated destination.

Last month, under 10 per cent actually came to Israel. But while the US Government insists on the principle of freedom of choice of destination, Israel is adamant that its Jewish brethren at least be given a chance to try out the Promised Land.

Hence its manoeuvring to do away with the Vienna stopover and compel Soviet Jews to fly via Bucharest instead.

## Sri Lanka rebel bombs prompt crackdown

MARKIST rebels set off bombs, attacked trains and set fire to buses and government buildings in Sri Lanka yesterday, said police and witnesses, prompting orders that security forces shoot troublemakers on sight. Reuters reports from Colombo.

The witnesses said troops and police fanned out to quell the violence unleashed by the People's Liberation Front (JVP), in which one person was killed and nine injured.

The JVP, a Sinhalese extremist group opposing an accord, aims to disrupt regional elections set for today.

"The police and the security forces have been given orders to shoot at sight any persons engaged in the destruction of public property such as burning buses, burning and looting shops and intimidating any others to engage in such acts of destruction," a Government statement said.

An elections department official said polling to choose members for councils in Western and Central Provinces will be held on today as planned under tight security despite the violence by the JVP. Police said a JVP member carrying an AK-47 assault rifle was shot dead at Kelaniya, 9 km from the capital Colombo, and his companion was arrested after they ignored an order to halt and tried to run away.

A bomb set off at a government building in the central tea-growing Nuwara Eliya district injured nine people, three critically, police said.

They said the explosion took place when about 1,500 civil servants had gathered there to prepare for today's polls.

Transport Ministry officials said armed men hurled a bomb at a goods train at Yatalgoda, about 45 km (30 miles) from Colombo early yesterday, damaging some wagons and derailling the engine. There were no passengers on the train.

In another attack, two train coaches were set on fire about 3 km from Colombo airport.

Railway tracks on the southern approaches to Colombo and on the line to the central city Kandy were blocked with felled trees and boulders.

The JVP also set fire to at least eight government offices in the southern district Matara and two in central Matale, police said.

The JVP, made up principally of Sinhalese youth, is opposing the setting up of provincial councils, a key feature in the peace accord signed by President Junius Jayewardene and Indian Prime Minister Rajiv Gandhi last July.

The JVP says that the accord is a "sell out" to India.

## Afghan resistance chiefs agree on key role for UN

BY WILLIAM DUFFLORCE IN GENEVA

AFGHAN RESISTANCE leaders have agreed to let the United Nations play the key role in repatriating refugees and reconstructing their country, but are still demanding a change of regime in Kabul before the 5m refugees in Pakistan and Iran return home.

Prince Sadruddin Aga Khan, the UN co-ordinator for Afghanistan, reporting after his first visit to Kabul, Islamabad, Tehran and Peshawar, said yesterday that it was premature to set a date for the start of the repatriation.

However, his team has started to identify zones where mines can be cleared, villages rebuilt quickly and a climate of confidence created.

Before the middle of the month, the UN will formally launch its appeal for funds. A sum of between \$1bn and \$2bn, spread over three years has been mentioned.

Before the co-ordinator's visit, resistance leaders in Peshawar had voiced reservations about the role given the UN under the Geneva agreement on the withdrawal of Soviet troops. The guerrillas refuse to recognise the agreement, to which they were not a party.

Prince Sadruddin stressed the need for flexibility but said his "intuition" was that some of the refugees would decide independently to return to their valleys.

The Governments in Kabul, Islamabad and Tehran have all promised to facilitate UN access. Prince Sadruddin urged donors to keep humanitarian assistance out of the bilateral "ruts" used to provide military aid to the warring factions in Afghanistan.

## China picks new minister to negotiate with Moscow

CHINA announced yesterday it had appointed a new deputy foreign minister to negotiate with the Soviet Union this month on normalising political relations. Reuters reports from Peking.

A foreign ministry spokesman told reporters that Tian Zengpei would lead the Chinese delegation in the 12th round of talks from June 13 to 20 in Moscow.

Tian is a former director of the foreign ministry's Soviet and East European department and recently served as ambassador to Yugoslavia.

Tian's predecessor was Qian Qichen, who has led the Chinese side since the talks began in 1982. He was promoted foreign minister in April.

The last round of talks was held in Peking last October and, according to East European sources, came to an impasse over China's demands that the Soviet Union press its ally, Vietnam, to withdraw its troops from Kampuchea.

China says Vietnam's occupation of Kampuchea is the most important of three obstacles to normalising relations with the Soviet Union.

Western diplomats said they expected this month's talks to concentrate again on Kampuchea in the light of Vietnam's announcement last month that it would pull out 50,000 troops by the end of this year, leaving the same number behind, China said, however, expressed doubt about the seriousness of the proposal.

The other two obstacles, China says, are the presence of Soviet troops in Afghanistan and Soviet military concentrations along the border with China.

Although the Soviet Union began to withdraw troops from Afghanistan last month, diplomats said they did not expect a rapid improvement in Sino-Soviet relations.

Tian's appointment brings the number of China's deputy foreign ministers to five.



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ERIC DYMOCK, SUNDAY TIMES

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## AMERICAN NEWS

## US economic indicators point to steady growth

BY LIONEL BARBER IN WASHINGTON

THE US Government's chief gauge of economic activity, the index of leading indicators, rose a moderate 0.2 per cent in April, pointing to steady economic growth in the run-up to the November presidential election.

The rise was in line with expectations, though March's increase was revised downwards to 0.2 per cent from an original estimate of 0.8 per cent, the Commerce Department said.

US factory orders, meanwhile, rose 1.2 per cent in April and an unrevised 1.6 per cent in March. US construction spending over the same period rose 0.1 per cent in April, while the March increase was revised slightly down to 1.3 per cent from 1.5 per cent.

The figures further confirm

that the economy is working close to full production and benefiting from a huge upsurge in exports on the back of a weaker dollar.

The one fear is a resurgence in inflation. The Federal Reserve in recent weeks has tightened credit and nudged up short-term interest rates, but has so far avoided a rise in the discount rate. Financial markets, however, will be examining the unemployment figures for May, due tomorrow, for signs of inflationary pressures arising from a tight labour market.

Vice-President George Bush, the likely Republican presidential nominee, who has most to gain from continued economic growth, said this week that he had a "lot

of confidence" in the Federal Reserve, "but I would not want to see them step over some [line] that would ratchet down, tighten down economic growth."

Five of the economic components of the basket of leading indicators contributed positively to a rise in the April index, led by an increase in the working week. The other four positive indicators were a rise in the money supply, a drop in weekly initial claims for unemployment, changes in sensitive material prices and contracts for plant and equipment.

Four indicators were negative in April, including the speed with which companies receive deliveries from vendors, stock prices, building permits and manufacturer's new orders for consumer goods.

## Boost for Brazil seen in IMF loan

By Stephen Fidler in London and John Barham in Sao Paulo

AN AGREEMENT between Brazil and the International Monetary Fund on a \$1.5bn standby credit was hailed yesterday as a significant step towards the country's international economic rehabilitation.

While the country's economic difficulties are still considered great, the agreement was seen as having important internal political implications, and as likely to have a significant effect on the attitudes of other lenders to the country.

"It means that the IMF is not an issue any more in Brazil," said one leading commercial banker yesterday. The agreement was seen as a victory for the approach taken by Mr Malleson de Nobrega, the Brazilian Finance Minister. He has managed to circumvent internal political opposition to a rapprochement with the IMF, and negotiated what is seen as a liberal agreement.

The outline agreement must be approved first by the IMF management, and then by the executive board of the IMF, which is thought likely to give its approval by early August.

## Chile emergency to be suspended for poll

BY MARY HELEN SPOONER IN SANTIAGO

CHILEAN OFFICIALS have renewed the state of emergency, giving Gen Augusto Pinochet's regime special powers for another 90 days, but said the measure would not be in effect during the one-man presidential plebiscite planned for this year.

The state of emergency has been in effect for most of the regime's 14½ years in power. The measure, which has been used against non-violent dissidents as well as suspected terrorists, allows Chilean authorities to hold detainees for five days without charges, to send them into exile or to banish them to remote parts of the country and to restrict freedom of expression and of assembly.

Navy Commander Admiral Jose Merino said the state of emergency would not be in effect for 30 days before the plebiscite, or on the day of the vote itself.

Chilean officials justified the renewed measure by pointing to a recent series of armed attacks against government targets, which included an assassination attempt last week against a military judge. The Manuel Rodriguez Patriotic Front, an armed leftist group, claimed responsibility for the attack, but has denied any involvement with the murder of two policemen last month.

The opposition criticised the decision to renew the state of emergency, noting that specific anti-terrorist laws already in effect should provide authorities with sufficient powers to deal with internal security threats.

Chilean riot police arrested over 30 people during a human rights march in the centre of Santiago on Tuesday night, firing teargas and water cannon at the crowd of several hundred people.

Ecuadorian President Leon Febres Cordero on Tuesday decreed a state of national emergency and imposed press censorship ahead of a one-day general strike called by left-wing trade unions for today, Reuter reports from Quito.

An official communiqué said the emergency made the whole territory a security zone, with the army in charge of public order.

The FUT trade union confederation estimated that about 1m of the 10m population would strike. Workers are demanding a 141 per cent increase in the minimum monthly salary of 14,500 sucres (\$16).

Social unrest has been fuelled by inflation which reached a yearly rate of 40 per cent last month.

Roderick Oram recounts the revival of a company whose forte is pianos

## Steinway tunes up to meet the competition

TONIGHT, 26 of the world's finest classical pianists take to the stage of New York's Carnegie Hall, the beautifully restored mausoleum of US music, to play the 500,000th Steinway piano built.

The newly unveiled instrument, which has taken more than a year to make, has a modern, angular exterior designed by Wendell Castle, a leading US furniture maker. Like a cricket bat or baseball inscribed with the names of players in some heroic contest, it carries the laser-etched signatures of some 900 Steinway artists.

For pianists who have made their reputations playing Steinways and for audiences who have loved the instruments' unique qualities, the gala concert is a celebration of Steinway's skill and survival. While all but a handful of the other great piano makers in the world have disappeared, the company has endured for 135 years since Henry Steinway, a German immigrant, opened his first workshop in New York in 1853.

After a rocky stretch in the 1970s when quality slipped and technical innovations backfired, Steinway has made big strides in recent years under new owners to bolster its reputation as the best grand piano in the world.

Yet it is only just beginning to face one of its greatest challenges in the form of Yamaha, the world's largest musical instrument maker. The Japanese company, which celebrated its piano-making centenary last year, is making a big push into the classical concert field which has been Steinway's virtually exclusive preserve for generations. Some 90 per cent of classical concerts around the world are played on Steinway pianos.

The rivalry between the two has sparked passionate debate in the musical world over the merits of their instruments and the companies' relationships with their artists. It has also raised xenophobic fears that Steinway will be harmed by Yamaha's ambitions. Still operating from a factory which dates from the 1870s, with designs and technique little changed from early this century, Steinway hand-builds 3,000 grand and upright pianos a year in the New York suburb of Astoria. It also builds 2,000 a year at its Hamburg, West Germany, factory.

The family sold their company in 1972 to CBS, the beginning of a difficult 13 years for Steinway as a tiny subsidiary of the large US entertainment conglomerate. CBS sold it for an undisclosed

sum in September 1985 to John and Robert Birmingham, two Boston business brothers, and Mr Bruce Stevens who had been Polaroid's head of international marketing. Flute and organ makers came as part of the package.

"We've basically gone back to being family-owned from an emotional and business point of view," Mr Stevens said. "We have a clear mission - to produce the finest piano in the world."

The rivalry between Steinway and Yamaha has sparked passionate debate in the musical world and raised xenophobic fears

"They've made considerable progress," said a senior executive of Columbia Artists Management. He still sees performers get very upset at the sometimes imperfectly prepared pianos Steinway offers them for concerts. A top Steinway executive said such stories need to be partially discounted for the artists' pre-concert nerves.

The crux of the problem, though, is money. "Steinway

doesn't have the money to support all their artists," the CAMI executive said. On a wider scale, some people in the musical world are worried that Steinway lacks the resources to match Yamaha dollar for dollar. Yamaha may not make the best piano in the world yet, but it has the motivation and money to try.

"We don't want Steinway to disappear," said Mr Terry Lewis, general manager of the piano division of Yamaha Music USA. "But just as there is room for more than one fine car or one political persuasion, there are far more artists than any one manufacturer can support."

Yamaha wants to prove that it builds pianos as good as any other manufacturers'. The kudos is vital to Yamaha because it is meeting rapidly growing competition from South Korean manufacturers in the mass-produced segment of the market.

Steinway and Yamaha are worlds apart in one respect: the former hand-crafts as many pianos in a year as the latter mass-produces in 10 days in plants in Japan, the UK, the US and, from later this year, China.

They clash, however, on the concert platform. Yamaha hand-builds in Japan a small number of its top-of-the-line CF III grand

pianos. Each takes about a year and a half and costs about \$50,000, the same amount of time and money as the top Steinways.

The highly publicised switch of pianists such as Andre Watts to Yamaha has generated vicious rumours that it is offering financial inducements. It says, though, that like Steinway it does not pay artists for using its pianos.

Opinions vary widely on the qualities of Steinway and Yamaha pianos. The former is famed for the unique responsiveness of its action, and its astounding ability to both sustain extremely quiet notes and also project impressive volume. The latter is still described unfairly by some of its detractors as sounding cold and brassy.

Among many musicians it remains heretical to suggest that there is any other piano except a Steinway. But "it is a matter of taste," said Mr Roland Loest, curator of the Museum of the American Piano in New York.

He does not personally like the Yamaha. Touching on Steinway's unique character, he said: "Once you get the bugs out of a Steinway, get it properly voiced and regulated, it will do anything you can conceive of as an artist," - as pianists will demonstrate tonight.

## Unpopular unions lose Aeromexico battle

BY DAVID GARDNER IN MEXICO CITY

SOME 7,500 ground staff of Aeromexico, the state-owned airline declared bankrupt by the Mexican Government in April, were formally made redundant this week, ending any lingering hope airlines unions had of overturning the decision in the courts.

At the same time, the Transport Ministry this week published an obscure outline of its view of the future of Mexican air traffic, in which, senior government officials say, Aeromexico will play a much reduced role.

The new scheme foresees the deregulation of the Mexican air travel market, with two "national, efficient, and profitable" airlines - privately owned, it implies - and small to medium-size regional airlines.

Not mentioned in the scheme is the opening of Aeromexico's international routes to foreign carriers, which is already taking place with, for example, American Airlines taking over what was an unprofitable Mexico City-Madrid route.

In essence, officials confirm,

the plan is for Aeromexico to reopen at the end of the month with a fraction of its former manpower (10,000 for 43 aircraft), under new ownership shared among the unions and private interests, with the state possibly retaining a stake. While in receipt of Aeromexico is flying routes which would otherwise be left uncovered, but with 10 per cent of airline staff.

Ministers also confirm privately that the Government deliberately set out to break union power in the airline industry, in what one gloated was "an impeccable strategy."

The Government originally planned to close Aeromexico in December as part of its anti-inflation shock plan, under which government spending was sharply cut. The airline had cost the Treasury \$130m (\$70m) over the past two years and in 11 of the last 15 years had had its losses absorbed by the taxpayer.

Instead, the Government announced the sale of 13 ageing aircraft, luring the unions into a strike, whereupon it used its *de facto* control of the courts to decree bankruptcy. "It certainly helped that anyone who has ever suffered the inefficiency of Aeromexico felt it was a popular target," one official remarks, noting that airline employees were unable to win solidarity from other unions.

The dismemberment of Aeromexico at the same time makes Mexicana de Aviacion, the other flag carrier, in which the Government has a 60 per cent stake, much more saleable. Though Mexicana in 1987 moved into the black after \$200m losses in the previous two years, its sell-off - three times prematurely announced by the Government since February 1986 - had been inhibited by union power and the presence of Aeromexico.

Final bids are in for Mexicana, against a reference price of over \$200m, officials say, with the competition said to be among three industrial groups based on leading stockbrokers.

Industry sources say the favourite is Mr Agustín Legoretta, chairman of the Mexican equivalent of the CBI, a former commercial bank Banamex before nationalisation in 1982, and the owner of Inverlat, Mexico's second brokerage house, privatised in 1984.

The Legoretta group, partially as a result of the 1984 return of bank-owned assets in 338 companies to private hands, now has a big stake in the Camino Real hotel chain.

Against this backdrop of the drive for deregulation, against vested union interests, it has emerged that one of the most attractive bids for Mexicana has been made by a group of investors fronting for the powerful oil workers' union, which operates practically as a state within the state.

## Takeshita calls for ban on nuclear tests

JAPANESE Prime Minister Noboru Takeshita said yesterday the superpowers should use their improved relations to promote a ban on nuclear weapons tests. Reuter reports from the United Nations.

He said Japan, a member of the UN Security Council, had been working strenuously for such a prohibition. "In keeping with the profound desire of its people,"

Addressing a special session on disarmament of the UN General Assembly, Mr Takeshita said he hoped Moscow and Washington would ratify the 1978 Peaceful Nuclear Explosions Treaty and the 1974 Threshold Test Ban Treaty so they could proceed to the next phase of limiting nuclear tests.

"The momentum of the positive developments between the US and the Soviet Union should be fully taken advantage of to promote multilateral efforts toward a nuclear test ban," he said.

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## Anglo American Corporation of South Africa Limited

(Incorporated in the Republic of South Africa)  
Registration No. 62398/66

## Results for the year and notice of final dividend

(subject to final audit)

Consolidated income statement (R million)	Year ended 31.12.87	Year ended 31.12.86
Net income	1 015	943
- investments	274	423
- trading	121	175
- other	121	175
Net income before taxation	1 410	1 541
Taxation	206	316
Net income after taxation	1 204	1 225
Attributable to outside shareholders	167	194
Attributable earnings	1 037	1 031
Retained earnings of associated companies	772	472
Equity accounted earnings	1 809	1 503
Extraordinary items	449	(47)
Earnings after extraordinary items	2 258	1 456
Transfer to non-distributable reserve	1 258	430
Ordinary dividends (note 2)	1 000	1 026
Retained earnings	516	514
Number of ordinary shares in issue - millions	229	229
Earnings per ordinary share - cents		
- attributable	453	451
- equity accounted	790	658
Dividends per ordinary share - cents	225	225
Net asset value (after providing for dividend) - cents per ordinary share	8 536	10 539

**Comment**  
Equity accounted earnings increased by 20.4 per cent from R1 503 million (658 cents per share) to R1 809 million (790 cents per share).  
Higher dividends from diamond, platinum, and industrial interests more than offset the lower gold mine dividend income so that net income from investments increased to R1 015 million from R943 million. Trading income decreased from R423 million to R121 million reflecting the adverse trading conditions experienced by the coal sector, although the Corporation's dividend income from that source was unchanged, while other net income was also lower at R121 million (1987: R175 million) largely because of increased prospecting expenditure of R106 million (1987: R72 million) and reduced net interest income. As a result net income before taxation fell 8.5 per cent to R1 410 million. This was, however, offset by the concomitant R110 million drop in taxation to R206 million and the decrease from R194 million to R167 million in the interest of outside shareholders in net income after tax arising from their share of the lower profits from the coal mining subsidiary, so that attributable earnings increased marginally to R1 037 million from R1 031 million. Retained earnings of associated companies improved by R300 million to R772 million reflecting increased profit realisations out of the much improved results achieved by the associated companies involved in mining finance, diamonds and industry.

The equity accounted earnings have been analysed on a segmental basis to show the relative contribution of the various sectors in which the Corporation is invested. This analysis is based on the principal business activity of each investment and so does not indicate the diversity of the underlying investments, details of which will be given in the annual report which will be posted to shareholders on or about June 28 1988. The Chairman's Statement will be posted on or about July 11 1988.

For and on behalf of the board,

G W H Rely  
J Ogilvie Thompson Directors

## Dividend

On Wednesday, June 1 1988, the directors of the Corporation declared final dividend No. 104 on the ordinary and 5 ordinary shares as follows:

Amount (South African currency)	162.5 cents per share
Last day to register for dividend (and for changes of address or dividend instructions)	Friday, June 17
Registers closed from to (inclusive)	Saturday, June 18 Saturday, July 2
Ex-dividend on Johannesburg and London stock exchanges	Monday, June 20
Currency conversion date for sterling payments to shareholders paid from London	Monday, June 20
Dividend warrants posted	Monday, August 1
Payment date of dividend	Tuesday, August 2
Rate of non-resident shareholders' tax	13.4027 per cent

The full conditions relating to the dividend may be inspected at the Johannesburg and London offices of the Corporation and its transfer secretaries.

By order of the board

C L Malby

Secretary

June 2 1988

Head office:

44 Main Street

Johannesburg 2001

London Office:

40 Holborn Viaduct

London EC1P 1AJ



## WORLD TRADE NEWS

Much of UK industry has still to take the Japanese market seriously, Peter Montagnon writes

## Nissan to export UK-made cars to Europe soon

BY IAN RODGER IN TOKYO AND KEVIN DONE IN LONDON

NISSAN Motor plans to begin exporting cars from its UK assembly plant to continental Europe in October.

Mr Yoshikazu Kawana, Nissan board director responsible for European sales, said the Nissan board had approved the formation of a European sales subsidiary based in Brussels to co-ordinate operations between the UK plant and European distributors.

Initial deliveries to continental Europe would be modest, but the company has previously said it aims to be exporting around 100,000 units a year from the UK to continental Europe in the early 1990s.

The assembly plant at Sunderland is planning to produce 50,000 cars this year, rising to full capacity of 200,000 a year in 1993, of which half will be sold in the UK and half in Europe.

At present Nissan only produces the Bluebird in the UK, but in 1992 it will also add a smaller Micra-class car.

Mr Kawana said the company had already exported a few cars from Sunderland to Ireland, but was eager to start selling in Continental markets too.

The company's arrival in some European markets might not be appreciated. "We expect various reactions, but we have the endorsement of the UK Government that our products are British."

## Turkish group set to sign Soviet construction deal

BY JIM BODGENER IN ANKARA

ENKA, the Turkish group, expects to sign a \$110m (250m) construction contract soon with the Soviet government which will help to pay for Turkish imports of Soviet natural gas.

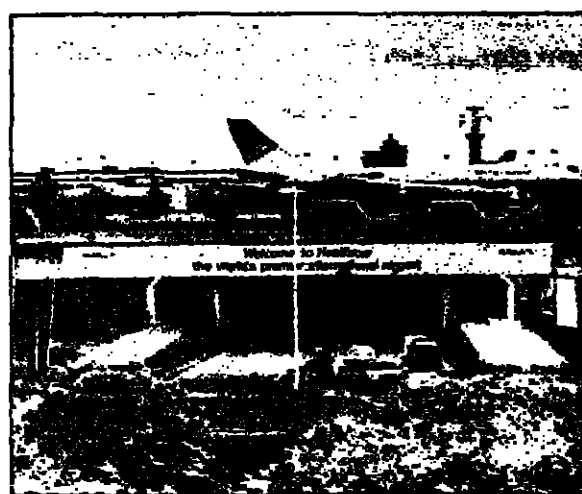
A novel feature of the deal is that the Turkish contractors will import their own labour force for the contracts. Skills learned building prestige projects in the construction boom earlier in the 1980s in the Middle East are at a high premium for the Soviet Union.

The Enka contract - the second of a series for Turkish contractors - involves construction

of a 1,000-bed hotel, and the restoration of 150-year old shopping centre in Moscow. Its signature on or around June 10 will seal one and a half years' hard negotiations which centred on price and delivery times.

The first contract was signed recently by the Turkish venture Koray Baytur. Valued at about \$80m, it involves building health centres, including hotel accommodation.

The next project likely to come up for tender could be hotel restoration and the construction of a sports and cultural centre complex in Yalta.



## TFS: helping to promote Britain's third largest industry

According to Government Statistics, tourism is now Britain's third largest industry. It employs 1½ million people permanently, and many more during peak periods. In 1987 15.6 million overseas visitors came to Britain and spent £6.3 billion; figures which will rise to 21.3 million and £12 billion by 1994.

Shopping in Britain is a great attraction for overseas visitors, second only to sightseeing. While choice and quality are the principal reasons for shopping here, value for money is obviously important too. And a simple, fast, efficient and reliable VAT refund service is a key factor for foreign shoppers.

TFS has invested over £1 million in setting up such a service in the UK, has created 50 new jobs in London within the past year, and works continuously to market the service abroad. In this way we too are playing our part in promoting a major British industry.

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## Exporters find Japan a difficult act of faith

QUIETLY, Britain has notched up a major success story in exporting to Japan. Partly because of the much-publicised purchase by a Japanese insurance company of Van Gogh's painting of sunflowers, sales of art works last year soared by no less than 433 per cent to £125m.

By these standards, however, Britain's success in other fields looks remarkably modest. Overall exports rose by only 26 per cent. Manufactured exports rose by 36 per cent, but this still left the UK lagging behind its competitors in the Japanese market - France and Germany in Europe as well as South Korea and Taiwan in Asia.

It was partly to counter this trend that Lord Young of Gifford, Secretary of State for Trade and Industry, launched a concerted campaign to boost exports to Japan earlier this year.

Yesterday, in a hall of London's Queen Elizabeth Conference Centre, about 110 specially-invited senior executives from industry were treated to a breakfast presentation designed to ram the message home.

It was the first of a series of such breakfasts which mark the main campaign, but by comparison with the glitz of the Lancaster House launch of the DTI's other campaign to promote the European internal market, it was a fairly subdued affair.

Lord Young himself had a prior engagement and left it to his Cabinet colleague, Energy Secretary Cecil Parkinson, to make the keynote speech. His audience listened politely but follow-up questions were few and far between. If anything, the outside observer was left with the impression that a large segment of British industry will take a lot of convincing to take the Japanese market seriously.

There were two clear strands to yesterday's message. The first, clearly enunciated by Mr Parkinson, was that Japan, with its high exchange rate and declining trade barriers, has become a land of opportunity.

The second, brought out by the speakers from industry who followed him, was that establishing a presence in the Japanese market still requires a daunting

UK EXPORTS TO JAPAN				
	1986	1987	£M	CHANGE %
Manufactures	695	958	+263	+38
Textiles	82	101	+19	+23
Vehicles	38	68	+30	+78
Machinery	248	299	+51	+21
Paintings	23	125	+102	+433
Total	1183	1495	+312	+26

Source: DTI

degree of commitment far greater than that imposed by easier, and to Western eyes more conventional, markets.

According to Mr Michael Perry, the Unilever director who is chairing the Opportunity Japan Campaign, average tariff rates on Japanese imports are now only 3 per cent. The number of items on which quantitative import restrictions are imposed has shrunk dramatically, and non-tariff barriers are being steadily whittled away.

Last year, Japan altered its regulations on bottled mineral water to conform to the normal international practice of allowing non-boil sterilisation. Imports tri-

pled to 3.5m litres, though French producers were predictably the major beneficiaries.

Following an earlier tariff reduction, Japanese imports of chocolate surged by 58 per cent last year. UK sales rose by 28 per cent, but those from Switzerland advanced by 40 per cent and exports of US and German chocolate grew 90 per cent or more.

Mr Perry believes that one reason for the UK's relatively poor showing in cases like this is the publicity that has been given in this country to trade disputes with Japan. Problems over Scotch whisky sales and Tokyo stock exchange seats for UK firms have led British companies

to assume, wrongly, that Japan is still a closed market. Yet no sooner is this illusion dashed, than another set of potentially more intractable barriers emerges. To succeed in Japan requires expensive commitment and a presence in the market that takes a long time to build. Glaxo, the pharmaceuticals concern, for example, with a turnover there of £150m, has 876 staff locally, all of them Japanese.

For British managers pondering similar ventures, this raises difficult questions about recruitment and Japan's tradition of lifetime employment. Though lifetime employment is a cultural rather than a contractual obligation, it may still be hard for British employers to swallow, after years of struggle with trade unions at home. Then there is also the question of financial return about which nothing was said at yesterday's meeting.

"Starting from scratch, most companies say you're unlikely to turn the corner (into profit) within three years. It's more likely to be five years," says Mr Geoffrey Sheppard, business general manager at Amersham International. That is a long time for companies whose horizons are being driven ever shorter by the exigencies of stock market investors and fund managers.

Yet, according to Mr Perry, Japan is still an opportunity that simply can no longer be ignored. It is a larger market than the UK, France and Germany put together; in these days of global markets a presence there is vital.

Only by operating within Japan can British companies expect to compete with their Japanese counterparts around the world, or even co-operate successfully with them in third country markets.

In the sombre grey decor of the conference centre, yesterday's meeting had a metaphysical, religious tone. There was much earnest talk of present commitment leading to distant reward.

A few of those present had clearly seen the light. For the rest, however, taking the good news on board clearly still required a difficult act of faith.

## Hitachi sues S Koreans over microchip patents

BY STEFAN WAGSTYL IN TOKYO

HITACHI, the giant Japanese electronics group, is suing a South Korean company over alleged infringement of patents for microchip production.

The case highlights increasing trade rivalry between Japan and South Korea, generated by South Korea's rapid recent economic and technological advance.

Ironically, Japan has itself frequently been accused of stealing US and European technology. Now that it has overtaken the West in some technologies it has run into similar difficulties in guarding its trade secrets.

Hitachi claims that Samsung Semiconductor and Telecommunications, a member of Samsung, one of Korea's largest industrial groups, is illegally using processes developed by Hitachi to produce memory microchips. Hitachi says it has Japanese and US patents for its process.

Hitachi says the two sides are trying to negotiate a settlement, which could be reached soon. But the Japanese company says it has also started "court proceedings" against Samsung Semiconductor over the case.

Hitachi is keen to avoid the

argument escalating. It is understood the group will be satisfied with securing royalty payments from the South Korean company. "This is not Korea versus Japan," said one Hitachi official.

Disputes over copyright and patent protection have long dogged South Korea's relations with the European Community and the US.

South Korea last year joined international agreements on patent protection, under which it recognised the principles of laws governing intellectual property in developed countries.

But the interpretation and enforcement of these agreements remains a great source of trade friction. Japan has so far kept its head down. But the Hitachi claim shows rising concern among Japanese companies about South Korean competition.

Earlier this week, Japanese knitwear makers said they were considering asking the Ministry for International Trade and Industry to investigate dumping by South Korean companies exporting to Japan. This would be the first-ever action of its kind.

## Court gives US 'grey market' go-ahead

BY NANCY DUNNE IN WASHINGTON

THE US Supreme Court has upheld controversial Customs Service regulations which permit the entry into the US of many cheap brand-named goods not sold through authorised channels. The ruling reversed a Federal appeals court decision.

The court ruled by a 5-4 vote that the Tariff Act of 1930 was "ambiguous" enough to justify the so-called "grey market" label which allows goods to be imported without the approval of the US manufacturer or the authorised distributor.

The decision, however, invalidated part of the Customs Service regulations which allow the import of goods authorised under US trademarks by totally unaffiliated companies abroad.

The grey market has been operating in the US for about 50 years. As the number of discount stores using it has grown, trademark owners and authorised dealers have become increasingly angry. It allows the sale of such items as cameras and watches at discounts as high as 40 per cent

below the usual retail price of the items.

The case in the ruling was brought by a group of trademark owners challenging the regulations in federal court. Last year, a federal appeals court ruled against the Customs Service and said the grey market was not upheld by law.

Discount stores hailed the ruling as a victory for consumers and importers. However, so much is at stake in the market, for which estimates range from

\$60m-\$100m, that further litigation is expected.

The Coalition to Preserve the Integrity of American Trademarks, an association of 90 US companies and trade organisations, has vowed to seek legislation to change the law.

Its attorneys argue that the grey market works to the disadvantage of consumers, who do not always get the genuine goods, full warranties or services which they get by buying through authorised dealers.

## World textile growth expected to slow

BY ALICE RAWSTHORN

THE pace of growth within the world textile and fibre industries is expected to slow from now until the mid-1990s, according to a new study.

After a period of stagnation in the early 1980s, the level of demand for fibres from the international textile industry has enjoyed a brief revival in recent years.

But demand for fibres will become more sluggish over the

next few years. The study, published in the Economist Intelligence Unit's Journal Textile Outlook International, anticipates growth of 2.3 per cent a year until 1995. Consumption per head will remain static.

This annual growth forecast of 2.3 per cent compares with the more buoyant levels of 3.8 per cent in the 1960s, 4.3 per cent in the 1970s and 2.5 per cent in the 1980s.

The growth in demand is expected to be slowest in the US and the European Community, which are the world's biggest importers of textiles and clothing. The rate of growth within the developing countries is also falling.

With little growth in the world textile market in the 1980s, there has been a radical relocation of manufacturing capacity. In the mid 1980s, just 28 per cent of primary textile processing - or the

spinning of yarn - was carried out in Western Europe and the US, compared with 36 per cent in the early 1970s.

The study expects the growth of East and South East Asian producers to continue and says all extra demand for textiles and clothing from the US and Western Europe will be met from these developing countries.

Textile Outlook International. Published by the EIU, 40 Duke Street, London W1A 1DW, Eng.

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## UK NEWS

## Former Guinness chief refused aid with legal costs

BY CLIVE WOLMAN

MR ERNEST Saunders, the former Guinness chief executive, yesterday made a surprise appearance in court to represent himself in a remand hearing. He appeared after being refused legal aid to contest the 40 charges that have been brought against him concerning his role in the Guinness takeover battle for Distillers two years ago.

After the hearing, Mr Saunders' solicitor, Mr Norman Turner of Landau and Landau, said that he was making an application for emergency legal aid to the Law Society to allow Mr Saunders to seek judicial review in the High Court of the decision to refuse him legal aid. The magistrate in London's Bow Street court, Sir David Hopkin, refused him legal aid on Tuesday for a second time on the grounds that his means were sufficient to meet the costs of defending a criminal action without assistance.

The second refusal has given rise to speculation that Mr Saunders may have assets, such as a second home in Switzerland, beyond what he has been obliged to declare on his legal aid application form. Mr Turner said yesterday: "My client is virtually broke. He has no income and no

disposable assets except a share in a small property in Switzerland. If I thought he had a pot of money lying around, I would not be acting for him. I will only get paid if he is awarded legal aid."

A defendant is entitled to legal aid if he has disposable assets, excluding a home, of less than £3,000 and a relatively modest income. Mr Turner said that although Mr Saunders previously owned other property in Switzerland and elsewhere, he had been forced to sell these assets to meet the legal costs that he has incurred so far since being dismissed as chief executive of Guinness in January 1987.

His former home in Buckinghamshire which he was forced to sell last year was half owned by his wife. He transferred his share to a trust for his children shortly before any legal actions were brought against him. He was now being given an allowance of £600 a week out of the trust fund by his children.

The trial is not expected to start until next spring. Its length will depend on the number of contested factual issues or whether the focus falls on the alleged dishonesty of the defendants and technical legalities.

## Accountants launch first European joint venture

BY RICHARD WATERS

THE FIRST joint venture between a UK firm of accountants and a firm from another European country is to be launched next week.

It is targeted at the market created by the flow of investment into the UK from Germany, expected to increase with the creation of the European internal market.

The new operation, Gane Jackson Schomerus, is jointly owned by two medium-sized firms of accountants, London-based Gane Jackson Scott and Schomerus & Co of Hamburg.

The new firm will provide advice to Anglo-German businesses in the UK and specialise in preparing accounts and returns for German parent companies, said Mr Nicholas Brooks, a partner of Gane Jackson Scott.

Larger firms of accountants have long-established relationships with firms abroad to enable them to serve this market, but have not formed joint ventures in this way.

The new partnership is allowed under British law to sign audit reports, but is not able to call itself a firm of chartered accountants. The German professional qualification of Wirtschaftsprüfer is not recognised by the chartered accountancy bodies in the UK.

This is likely to change under a proposed European Community directive which would require the mutual recognition of professional qualifications.

## Teachers seek more commitment by parents

By David Thomas

BRITAIN'S head teachers want parents to sign contracts committing them to become involved with their children's education in an effort to solve discipline problems and raise standards in schools.

The proposal for a home-school contract was made yesterday at the annual conference in Eastbourne of the 29,000-strong National Association of Head Teachers.

It sees the idea as a way for parents to play an active role in their children's education. There are fears that the Government's proposals in the Education Reform Bill will push parents into confrontation with schools by restricting their role to monitoring school standards.

Mr John Wootton, NAHT president, told the conference: "Parents must accept accountability and responsibility for their children. It is an issue that cannot be avoided. If we are to improve the quality of life for all our citizens."

The association is planning to launch home-school contract pilot projects in selected schools in the autumn.

It is working on the scheme with representatives of chief education officers, the National Confederation of Parent-Teachers Association and the Royal Society of Arts.

The plan is for teachers to sign a contract committing the school to a range of goals including providing a stable and disciplined environment, regular information on the progress of pupils, and delivering challenging lessons.

For their part, parents would agree to ensure that children attended regularly, to accept the school's discipline, to discuss regularly children's progress with teachers and to provide a home environment helpful to children's education.

Objectives would also be set for older pupils who would sign the contract.

Mr Bob Fisk, a member of the NAHT Council and a Northumberland head teacher, who has helped develop the proposal, said the contract would not be legally binding, although Mr Wootton stated the idea of parents being made to pay for their children's education.

## Cotton town partners face housing enigma

BY IAN HAMILTON FAZEY, NORTHERN CORRESPONDENT

"I read the news today, oh boy - 4,000 holes in Blackburn Lancashire." The Beatles immortalised the town's problem with potholes in the street. Ian Hamilton Fazey examines its present problem with properties

BLACKBURN, an old textile town of 140,000 people, became famous 21 years ago when the huge number of potholes in its roads featured in A Day in the Life, the last song on the Beatles' Sgt Pepper album.

The potholes are mostly gone, but there is an 11,000-strong problem of a more intractable kind - and possibly unique to the former cotton communities of north-east Lancashire.

It is the biggest and costliest communitarian faced by the Blackburn Partnership, which is to be launched today by Prince Charles, president of Business in the Community (BiC).

The partnership in which the public and private sectors will work together on economic regeneration is Britain's second, following a successful BiC experiment in Calderdale, West Yorkshire.

The communitarian it faces ought to be impossible in today's, home-owning Britain. Yet Blackburn has a property-owning poverty spiral.

Before the First World War the owners of Blackburn's cotton mills built their workers houses. There were about 500 houses per

mill, back-to-back terraces standing on ash foundations. Their continuous black slate roofs snake up the steep hillsides.

About 70 per cent of Blackburn's householders own their homes and two-thirds, that is 25,000, were built before 1919. Of these, about a third are officially classed as in need of substantial repair. As many as 11,000 may even be technically unfit for habitation, with market values of just £2,000 to £3,000.

To remedy the ash foundations, install indoor sanitation and generally improve them would cost between £10,000 and £15,000 each. Yet their market value would then still only be £8,000-£10,000, so no one is silly enough to improve them.

Demolition seems no answer either: redevelopment would replace three small terraced

houses by one modern one to reduce crowding, but the compensation to the three displaced householders would exceed the likely market value of the single replacement dwelling.

This would hardly appeal to private sector housebuilders and would lead to homelessness. Moreover, the local authority is too constrained by spending limits to do the clearance itself or rehouse those made homeless.

The result is a policy paralysis. The good news for the Partnership, however, is that unemployment has fallen to 11.4 per cent from 16.3 per cent less than a year ago.

It has not been because of new industries but because we have wider variety of industries now, all of which have picked up together," says Mr Jim McKinstry, chief executive of Blackburn's chamber of commerce and

former Rax Xerox executive.

Indeed this former cotton and heavy engineering town has already restructured itself. Wall-coverings are represented by Crown, Graham and Brown, and Burlington; chemicals by ICT's expanding Perspex factories; light engineering by numerous smaller companies. Reed International makes paper at Darwen, within Blackburn's boundary.

Brewing survives from the old days with Thwaites, Matthew Brown (part of Scottish and Newcastle) and Whitbread.

The Royal Ordnance Factory, owned by British Aerospace, makes fuses and fine precision parts, employs 2,000 and claims to have the UK's finest toolroom.

Scapa-Porritt, has about 1,000 on its payroll and turns over £300m a year making felts for the paper-making industry.

Press Parts has grown from nothing in 10 years to deep-draw up to 3m items a day. Mr Geoff Livesey's Cobble Mill provides work for 500 people who make carpet-tufting machinery, with 80 per cent of sales going to export.

Mr Livesey took on the presidency of the then moribund chamber of commerce five years ago and persuaded Mr McKinstry to join him in turning it into a focus for industry. They are likely to be the prime private sector enablers in the Partnership.

The council's political leaders - Labour has 31 of the 60 seats, the Conservatives 24 - will also be key figures, as will Mr Jones and Mr David Taylor, chief executive of Lancashire Enterprises, the county council's economic development arm.

Since public and private sectors were already working well together, is a BiC partnership necessary? Mr Jones, Mr McKinstry and Mr Taylor stress the national contacts and potential inward investment BiC brings.

It is through plugging into such a national network that most people are pin their hopes of finding solutions to some peculiar local problems.

## Tories put bite into biggest membership drive for decade

BY TOM LYNCH

FOUR SOLEMN and serious faces lined up at Conservative Party headquarters in London yesterday to launch the Tories' biggest membership drive for 10 years.

Three of the faces belonged to members of the party hierarchy and the fourth to Duke the bulldog, a star of last year's Conservative general election campaign.

His lugubrious and somewhat ugly features adorned lapel badges and the publicity material which should soon be dropping through the doors of those suspected of being Tory voters.

With a central budget of £50,000 in pump-priming money - average of less than £100 for each of the 561 constituencies in England and Wales - the campaign appeared to be in harmony with the Government's drive for value for money.

However, there was some uncertainty among journalists

about whether it was in tune with ministerial insistence on setting targets for measuring success - as in the National Health Service.

Mr Peter Brooke, the party chairman, stuck to the traditional Tory argument that central membership figures were not collected because constituency parties were autonomous. However, he said there was a general acceptance in the press that membership was about 1m.

Pressed on how the campaign's success could be judged, Mr Brooke said returns of membership figures would be sought from constituencies for the first time. Success would be "an absolutely firm figure of 1m," a definition of success unlikely to be recognised by nationalised industry chairmen.

He acknowledged that membership had probably dropped in recent years, but rejected the suggestion that the campaign was a symptom of panic

or that it was prompted by the party's post-election overdrift, though he confirmed that it still had one.

The campaign slogan is Invest in Britain's Future, and the aim is to convert some of the 13.7m people who voted Conservative last year into contributing members. A parallel campaign in Scotland starts on August 1. The last such exercise - in 1978 - was called Link Up with the Conservatives, but Mr Brooke was unable to shed any light on how successful that had been.

However, the centre of media attention yesterday was Duke, who stepped forward from the back of the room to be photographed with the other serious faces. Some thought he looked dejected. Mr Brooke preferred to see him as representing the party's theme of "continuity and stability."

The campaign will run until the end of October.

## Financial advice body's advertising ruled unfair

BY DAVID BARCHARD

THE ADVERTISING Standards Authority has ruled that a series of newspaper advertisements by Camifa, the Campaign for Independent Financial Advice, violated the Code of British Advertising Practice and were "unfairly denigratory" to company representatives.

However, news of the ruling appeared to take Camifa by surprise. Mr Julian Bosdet, a spokesman for the organisation, said: "We dispute the ruling and will be talking further to the ASA about it."

Camifa is a body set up by 14 leading life assurance companies to promote the role of the independent financial adviser under the Financial Services Act. Its advertisements were targeted against organisations which have opted for "tied" status under the Act and sell only insurance and unit trust products of a single company.

Fourteen "tied" organisations, led by the Abbey National and Allied Dunbar, complained to the ASA on April 29 about full page

advertisements placed in national newspapers by Camifa under the headline: "At last there is insurance against insurance men."


The ASA's Code of Advertising Practice Committee's ruling found against the Camifa advertisements on three counts. It said that they exploited the credulity of the reader in a complicated situation and were denigratory to the company representative.

The ruling said that the overall impression seemed to imply a Government announcement and might mislead some readers. It also said that it was misleading to suggest that independent representatives were always able to sell any product.

Mr David Thorn, chief executive for insurance and investment at TSB, the broadly-based bank group, said he was pleased by the ruling.

"It is our view that the Camifa adverts were misleading and inaccurate and, therefore, the Advertising Standards Authority ruling represents a very satisfactory outcome," he said.

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International Division  
Murjani  
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New York, New York 10019**

TEL: (212) 921-5656  
TELEX: 237 935  
TELEFAX: 869-0466

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# Britain may select French nuclear reactor design

BY MAX WILKINSON, RESOURCES EDITOR IN SORRENTO, ITALY

THE Central Electricity Generating Board is planning to replace its present design for pressurised water reactors with a more powerful plant, perhaps built under licence from France.

The plans are still at an early stage but they could mean that the original idea of building a family of four to six identical PWRs will be scaled back to two or three.

Plans to start a second family of more advanced PWRs emerged in Sorrento at an international conference for electric utilities (Unipede), where the CEGB has made informal contact with representatives of the French industry.

Both sides are waiting, however, for the British Government to work out how the costs of its nuclear programme are to be apportioned after the industry is privatised in 1990.

The CEGB wants to move as quickly as possible to the new design because of the relatively poor economic performance expected from its US-designed PWR. This is being built at Sizewell in Suffolk, south east England, at a cost of £1.7bn with a successor planned at Hinkley in Somerset, on the south west coast.

A study by Unipede experts suggested that if world coal prices remain relatively low, electricity from the Hinkley PWR would be only 9 per cent cheaper than power from a new coal-fired station.

In France, however, nuclear electricity has a 65 per cent cost advantage.

To help close this gap, the CEGB wants to develop a second-generation PWR with a single 1,400 megawatt turbine-generators like France's latest series of M4 stations. This would cost no more to build and would be cheaper to run than the Sizewell plant. It would produce 20 per cent more power using less nuclear fuel.

The CEGB estimates that developing the new design and obtaining approval from the British nuclear inspectorate would cost £100m and take eight years.

However, after privatisation, the job of planning nuclear plant will effectively pass from the CEGB to a new nuclear mission company, jointly owned by the 12 area distribution companies.

Distribution companies will be obliged by law to obtain about a fifth of their electricity from nuclear plant, but they will be free to choose the supplier for new nuclear capacity. The CEGB is likely to retain an advantage in the UK because competitors would have to spend many years gaining approval for their designs.

## INQUIRY INTERVENTION WITHOUT PRECEDENT

# Ministry backs plan for new town

THE DEPARTMENT OF Trade and Industry has taken the unusual step of intervening in a public planning inquiry by openly backing a proposal by Consortium Developments, a group of 10 construction companies, to build a new town on a rural site in north-east Hampshire yesterday.

This was disclosed yesterday by Mr Michael Fitzgerald, advocate, appearing for the consortium, when the inquiry opened in Fleet, Hampshire.

The revelation comes at the height of a controversy over the alleged over development of the south-east of England, where there is considerable pressure to build new housing but also considerable local opposition to such developments.

"The DTI has submitted a paper in support of this proposal," he said. "This is the first time the department has ever supported an individual proposal for a housing development."

The DTI's submission appears to go considerably further than guidance over developments which has been given by Mr Nicholas Ridley, the Environment Secretary, in his planning circulars to local authorities.

It urges that the provision of land to attract industry and investment in areas such as Hampshire and Berkshire must be given priority and that provision must be made for new housing for the necessary labour force.

Consortium Developments is proposing to build 4,800 houses plus infrastructure on 700 acres of former gravel pits at the Foxley Wood development, Bramshill. The public inquiry is one of the most significant of recent years and is expected to last five weeks and cost about £1.5m.

The department's submission was made by Mr R.D. Dennis, deputy director of its south-east region. It is understood that it was personally approved by Lord Young, the Secretary of State for Trade and Industry.

The tone of the document will annoy conservationists who want to curtail the amount of building in the region. It will also anger the group of Conservative MPs from the south-east and the West Country who are waging a campaign against Mr Ridley over his policies for the region.

It recognises that a balance has to be struck between the demand for development and the desire for an attractive environment.

However, it stresses that past policies of discouraging development in relatively prosperous locations in the region have not met with success.

"It would therefore be a mistake to interfere with market forces by putting protective barriers around the south-east and other desirable areas in the hope that this would open up opportunities elsewhere," it states.

The DTI believes that businesses are located in the south-east because it is seen as the most efficient location.

"Subject to the normal requirements of the planning system, the department wishes to see these businesses given the opportunity to expand at the location of their choice," it continues.

"The DTI is concerned that in certain areas of the south-east, economic growth may be unnecessarily constrained by restrictions on the provision of housing land."

It criticises the north-east Hampshire structure plan for almost halving the number of houses to be built in the 1990s.

There was strong opposition at the inquiry yesterday from local authorities' conservationist groups and organisations representing local residents.

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## Democrats officially open bid for top job

BY TOM LYNCH

THE CONTEST for the leadership of the Social and Liberal Democrats began officially yesterday, with Mr Paddy Ashdown, MP for Yeovil, launching his campaign and Mr Alan Beith, MP for Berwick, announcing his candidacy.

The two are likely to be the only candidates when nominations close on June 24. The only other potential runner is Mr Robert MacLennan, the joint interim leader of the party, who is not likely to stand and would have little chance of winning.

Concern yesterday centred on the possibility of a bitter, personal battle between Mr Ashdown and Mr Beith.

Mr David Steel, joint interim leader, warned supporters of both contenders not to engage in "dirty tricks." He hoped there would be no personal attacks.

Mr Beith predicted that personalities would play a large part in the campaign because there were no policy differences.

Mr Ashdown, while acknowledging that personalities would play a part, said the election would be "primarily about the style, direction and agenda that the new party must address."

Launching his campaign in his constituency, he emphasised his vision of the SLD as a left-of-centre party set to push Labour aside to challenge the Conservatives for power.

"The party had to recapture its 'natural territory' of choice and individual liberty from Mrs Thatcher, who had 'hijacked it, narrowed and corrupted into choice only for the privileged and then sold it over our heads to the electorate'."

Mr Beith, meanwhile, also said the party must abandon the strategy of aiming to make deals with other parties in a "hung" parliament, but appeared to differ from Mr Ashdown's emphasis on the need to push Labour aside before tackling the Tories.

## Ruling soon on reactor inquiry

Financial Times Reporter

A RULING on the scope of an inquiry into plans to build Britain's second pressurised water reactor (PWR) nuclear power station at Hinkley Point, Somerset, in the west of England, will be issued in about three weeks.

This was announced by the inquiry inspector, Mr Michael Barnes, who yesterday heard calls from objectors to allow evidence on all safety and economic issues concerning the PWR and the disposal of nuclear waste.

About 400 people, mostly oppo-

nents of the power station proposal, attended a pre-inquiry meeting held at Cannington in Somerset.

The Central Electricity Generating Board makes clear in its 'Statement of Case' prepared for the inquiry that it believes safety issues should be confined to minor changes in the Sizewell B design which has already been approved after a 27-month inquiry, the longest public investigation in Britain.

The document also makes clear that the board believes that economic issues should be based on comparisons with other non-fossil fuel sources, not with coal-fired electricity generation.

This is a reflection of the board's argument that a third nuclear power station is needed at Hinkley Point to help meet the aims of government policy on reducing reliance on fossil fuels.

Under the Government's privatisation proposals, a minimum percentage of non-fossil fuel energy will have to be purchased by companies taking over the electricity supply industry.

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## Beecham faces \$16m bill in damages case

By Terry Dodsworth

BEECHAM, the UK pharmaceutical group, is considering further legal action in a US damages case against a \$16m (€2.7m) award against the company in a New York Federal Court.

The case relates to an action against Jovan, the group's Chicago-based cosmetics manufacturing subsidiary, by Oleg Cassini, a design company.

Cassini filed a complaint in 1984 claiming that Jovan had failed to use its best efforts to promote its fragrances and cosmetics products under the terms of a 1978 agreement.

Since the court action began, Cassini's original claim for \$50m was reduced to \$16m, but punitive damages have been substantially reduced.

Beecham described yesterday's verdict as "misconceived", and said there were substantial prejudicial errors committed by the plaintiff's counsel in the course of the trial.

Neither the jury verdict nor the fine will become final until they have been considered by the judge. At that point, Beecham will decide on what further action to take.

The UK company acquired Jovan when expanding in the US cosmetics industry in 1979, one year after the deal was signed with Cassini. It said yesterday that it had a general provisions account covering issues such as litigation, and that the funds available were sufficient to cover the US action.

## Auditor disagreement emerges over treatment of crash losses

BY RICHARD WATERS

DIFFERING accounting treatments of losses caused by last October's stock market crash have emerged, exposing disagreement among auditors about how these should appear in companies' accounts.

The immediate cause of the dispute is the decision by the auditors of Farnell Electronics, a manufacturer of electronic equipment, not to qualify the company's accounts after it took a \$1.5m loss on equities as an extraordinary item.

Extraordinary items appear below the line in profit and loss accounts. This means they do not affect a company's earnings per share or its calculation of profits for purposes such as deciding directors' remuneration.

According to Farnell's auditor, Sagar Croudsen of Leeds, took its decision "following consultations with the Institute of Chartered Accountants."

Sagar partner Mr Nicholas Naylor said yesterday that the Institute had offered advice, but had left it to the auditors to take their own decision—a statement confirmed by Institute technical director Mr Geoff Mitchell.

"We explained the ground rules to the auditors," said Mr Mitchell. "We don't give any rulings about any particular accounting treatment." He said that in general he did not agree with the type of accounting treatment used by Farnell, but refused to comment on the specific case.

Farnell said five weeks ago when it announced its results that it expected a qualification from its auditors.

Mr Michael Bishop, chairman, announced the plan yesterday, when he also disclosed that in 1987 the group earned a pre-tax profit of £5m against £4.7m in 1986, on turnover up from £115.8m to £138.1m.

He said the group was leasing two Boeing 737-400 156-seater twin-jets from Guinness Peat Aviation, to add to the six 737-300 136-seaters now being delivered, and holding discussions with Boeing on a further four 737s.

It has applied to the Civil Aviation Authority for rights to fly from Heathrow to 11 European destinations: Brussels, Dublin, Düsseldorf, Frankfurt, Geneva, Milan, Málaga, Palma, Paris, Rome and Zurich.

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## TECHNOLOGY

## Reshaping the rules of tyre development

Roy Garner in Tokyo explains how Bridgestone has gained from its efforts to avoid traditional design compromises

THE SEARCH for the perfect automobile tyre has long been stymied by what is known in the trade as the "incompatibility dilemma", namely the problem that an improvement made to one design feature will generally have a detrimental effect on another.

Now engineers at Bridgestone Corporation in Japan claim to have gone some way towards defying this logic. The focus of this belief is the company's recently introduced RCOT (Rolling Contour Optimisation Theory) radial passenger tyre.

The patented design offers considerable improvements in performance, says Bridgestone, and 60 per cent of the company's domestic market tyre sales in 1987 featured the new technology.

Bridgestone has now also introduced an adaptation of the RCOT design concept for use on truck and bus tyres. This is called TCOT (Tension Control Optimisation Theory).

In practical terms the incompatibility problem involves the factors of tyre wear, belt durability and "rolling resistance". The introduction of a low heat-generation tread rubber, designed to cut rolling resistance is accompanied, for example, by a lowered

tyre wear resistance and a related decline in tyre life. Similarly, the use of more durable tread rubbers would produce greater heat generation, leading to decreased belt durability and higher rolling resistance.

To break out of this impasse, Bridgestone engineers challenged the conventional wisdom concerning the "natural equilibrium shape" of a car tyre. This holds

**To break the impasse it was necessary to challenge conventional engineering wisdom**

that maximum durability is achieved by ensuring that when a tyre is inflated it demonstrates a uniform cord tension and uniform change in shape.

For the RCOT tyre, Bridgestone experimented instead with an "unnatural equilibrium shape" based upon the optimum contour of a tyre when it is actually in motion. To establish the characteristics of this contour, the company's engineers used ultra-large computer simulations

produced by a specially-developed tyre analysis programme, known as the finite element method (FEM).

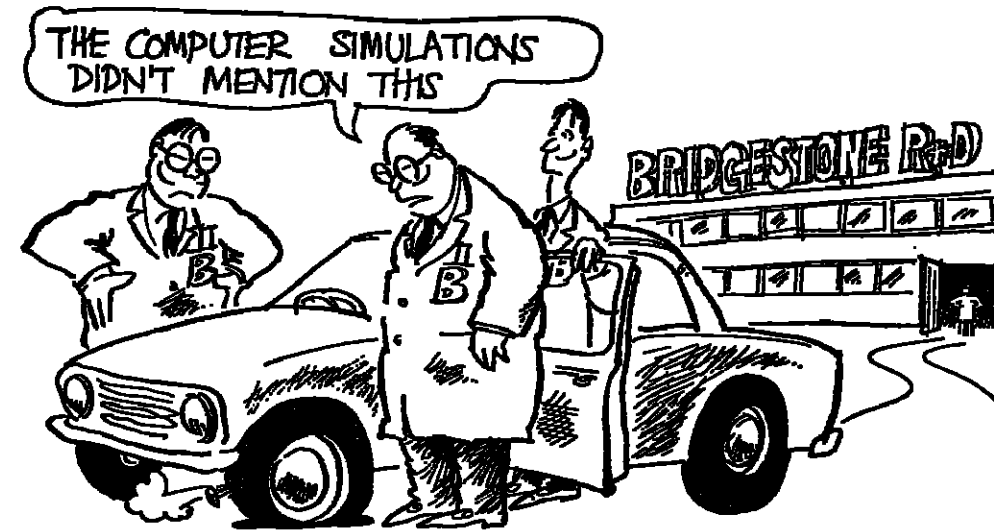
This programme has also enabled Bridgestone researchers to study the infinitely complex forces of stress which develop as a tyre is inflated and rolled.

In cross-section, the new RCOT tyre has a slightly flattened appearance even when stationary. As the vehicle accelerates there is little change in this basic contour, remaining virtually the same even at high speed.

Nobuya Yoshimura, director of tyre development at Bridgestone, says that the RCOT design offers 5 to 7 per cent less rolling resistance at speeds of between 50 to 100 kph. This gives a 1 per cent increase in fuel efficiency, plus a reduction in tyre noise and significant improvements in wet and dry braking speeds.

Evidence of the success of the concept is provided by Porsche, the West German performance car producer which has chosen RCOT RE71 tyres for use on its top-of-the-line 200mph 959 model.

Yoshimura stresses, however, that the real challenge in application of the design came in the truck and bus market. Whereas in the passenger car market buy-



ers tend to make choices merely on a tyre's appearance, commercial users present stringent performance requirements.

"In the passenger market, it is like selling perfume to my wife," says Yoshimura. "But for trucks it is the tyre itself that makes the difference - buyers demand high reliability concerning tyre specifications."

Direct application of the RCOT concept was found to be impractical in the commercial vehicle sector, because of the very high inflation pressures required for truck and bus tyres. The chief problem in truck tyres was also recognised to be strain at the edges of the reinforcing belts.

The TCOT design therefore features an optimum unnatural equilibrium shape formed around a structure which controls ten-

sion in the cords and carcass ply, while the basic tyre construction method and materials remain unchanged.

Bridgestone claims a decrease in rolling resistance of 3 to 5 per cent in the TCOT tyre, greater durability and an improved resistance to irregular wear.

Both RCOT and TCOT designs mark a shift in the historical approach to tyre design - a move away from the past concentration on improvements in materials and a step towards a preoccupation with tyre shape.

Improvements in materials do, however, still play an important role. Bridgestone has seen particular success with what it calls its SBR compound, developed using a visco-elasticity control technique, whereby the number of monomers in a polymer can be

controlled and regulated.

By introducing SBR to tread rubber compounds, reductions of up to 30 per cent in rolling resistance have been claimed. Yoshimura also points to the major contribution that supercomputers now make in tyre research.

"Before supercomputers we already had software for tyre analysis, but the RE71 tyre, for example, could not have been developed without the supercomputer. FEM simulations could have taken 30-50 hours with conventional computers, but now with supercomputers it takes only a few minutes."

Such research efforts come with a hefty price tag, however. In Bridgestone's case, research and development expenses totalled some ¥31bn (£238m) in 1987.

## Pilots given less cause for alarm

BY CLIVE COOKSON

BEING IN charge of an aircraft in an emergency is bound to be a terrifying experience. But research by UK psychologists shows that it is made even worse by the barrage of alarm sounds that assault the pilot and crew when something goes seriously wrong with a modern aircraft.

The work has led to a new auditory warning system, which has been installed in North Sea helicopters and could soon be adopted by international airlines. The UK Civil Aviation Authority commissioned the Medical Research Council's Applied Psychology Unit in Cambridge to investigate aircraft warnings, in response to complaints from pilots that the sounds were confusing and too loud.

Roy Patterson, who is in charge of the project, says the pilots were right to be concerned. "Before this no one had really thought about warnings; they just added a new warning noise when a new problem arose." One aircraft uses eleven separate warning sounds - creating a real danger that the crew will wrongly identify the malfunction.

The MRC psychologists also found that the warnings were far too loud, starting the crew and impeding communications to such an extent that cancelling the alarm took priority over trying to correct the malfunction.

And the warnings were incompatible, so that when two alarms sounded at the same time the resulting noise did not convey any clear message.

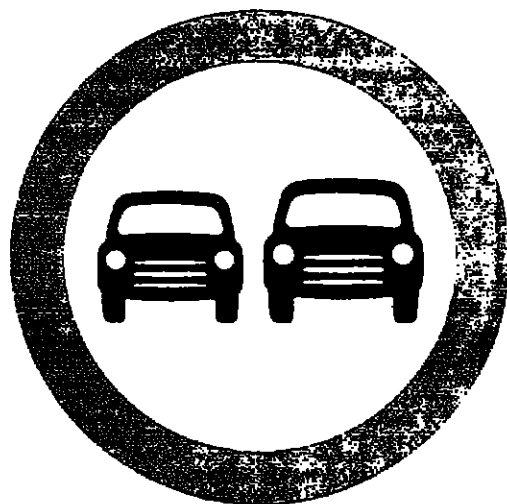
The researchers concluded that aircraft should not have more than six immediate action warning sounds, that they should start at quite a low level and become louder, and that each one should have a distinct melody and rhythm. They went on to construct a new family of warning sounds, based on these principles.

Their work is being exploited commercially through the British Technology Group and has been licensed to the UK electronics company Racal for use in its Automatic Voice Alert Device (AVAD).

Peter Wheeler of Racal Acoustics says the AVAD, which has digital voice and tone warnings, has been fitted in about 100 helicopters operating in the North Sea offshores and with the Royal Air Force. Its most important function is to alert the pilot when the helicopter is flying too low.

But Patterson is disappointed that the Civil Aviation Authority has not yet persuaded its counterparts in other countries to introduce an international standard for similar warning sounds.

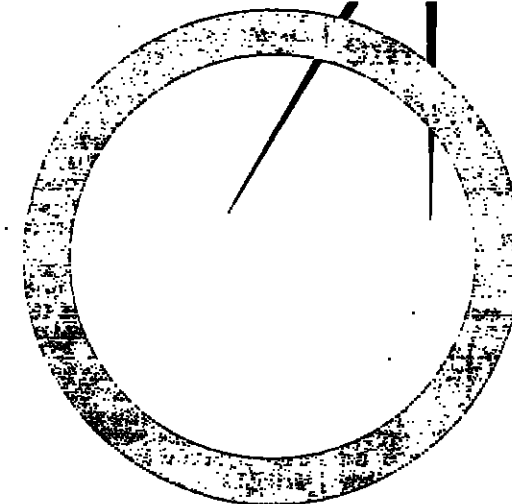
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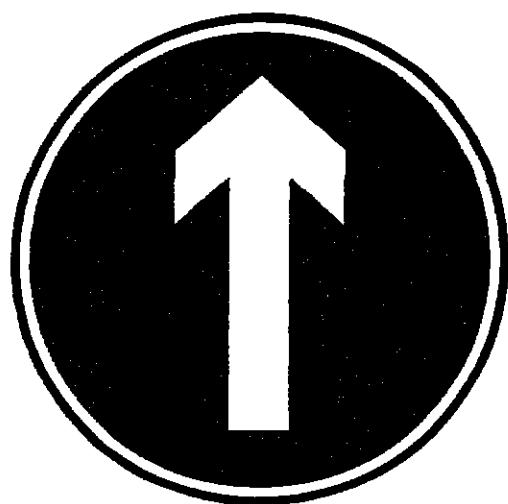


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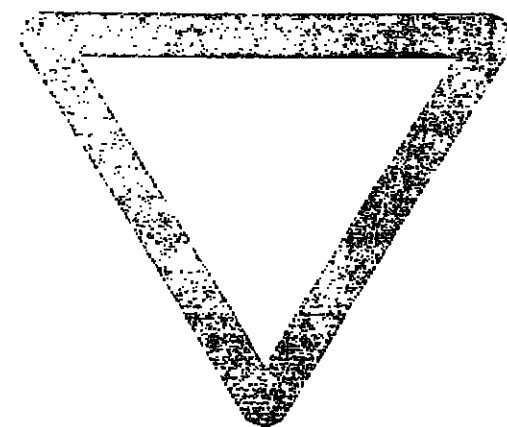


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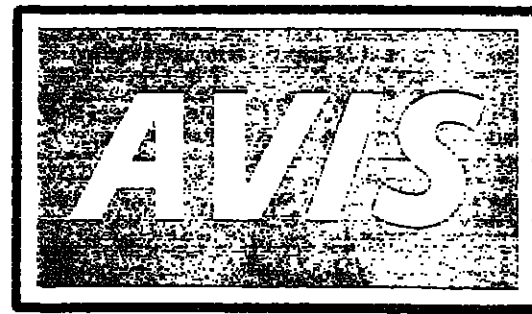


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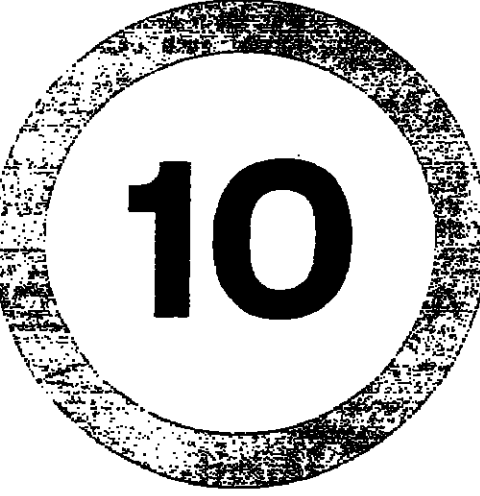
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## WORTH WATCHING

Edited by Geoffrey Charlish

### Japan allocates £86m to superconductivity

THE SCIENCE and Technology Agency of the Japanese Government has announced an £86m superconductivity research project extending over five years.

The first £8.6m has been allocated for the development of equipment needed to test and examine materials with superconducting properties. This apparatus will include an electron microscope with sufficient power to allow oxygen atoms to be seen.

Mikio Hattori, a director of the agency, believes that understanding the behaviour of oxygen in superconducting materials is important to their further development.

Superconductors, if they can be made to work at or near ordinary air temperatures, would radically alter the electrical engineering industry since they allow currents to be conducted without the usual energy through resistance.

In the last year or two, materials have been formulated that will superconduct at liquid nitrogen rather than much lower, and more expensive to maintain, liquid helium temperatures.

### Automatic milking till the cows come home

VICON, THE Dutch agricultural equipment company, is developing a system that will milk a herd of 80 cows automatically.

The machinery is expected to cost £85,000 to £75,000 but the company claims the system produces 15 to 20 per cent more milk per cow with virtually no attendant labour. It is undergoing tests at Vicon's headquarters at Nieuw Venne, and commercial introduction is expected in 1990.

The idea is that each cow chooses its own pattern of visits to the milking cubicle, where it will also be fed according to its known requirements.

Four or five visits a day are likely as opposed to the traditional twice-a-day milking, giving a closer match to natural calf suckling rhythms. The company says research shows that the cows will go for milking of their own accord.

Each cow has an electronic tag which enables the computer to identify it as soon as it enters any cubicle. A special robot arm with ultrasonic sensors for positioning can draw on the computer memory of the cow's specific udder shape. Then the robot arm can properly apply the flexible test cup. No human assistance is needed.

Dick d'Hoof, Vicon project manager, emphasises that the new system does not aim at greater quantities of milk, but simply to produce it more profitably with fewer cows. He says that to milk even three times a day by traditional methods is impractical for hard-pressed dairy farmers.

### French pull towards low-cost transport

SOULE, a French company of Bagnères-de-Bigorre in the Pyrenees, has developed an automatic cable-driven railway for surface transportation at such places as exhibition sites, theme parks, shopping malls and airports.

Each car hold 12 people and reaches speeds of 12.5 mph. At

### Electricity meter takes flexible control

POLYMER Response International (PRI) of Winchester in the UK has launched an electricity meter which offers power supply companies notable flexibility in terms of meter reading and load control.

Called Calm 3, and based on electronics rather than the familiar rotating disc, the unit has been developed by the UK Department of Energy.

FRI claims Calm 3 can offer the complex three phase metering needed in industrial premises for half the cost of conventional systems. About 600 units have been supplied to UK area electricity boards.

Calm 3 models for domestic premises are under consideration, but at the moment the cost for such a simple, single phase unit might be twice that of a conventional meter.

There are three possible ways to read the new meters. The illuminated display can be noted by a meter reader in the usual way, a portable recording device can be used to extract the readings, or the unit can be interrogated over a phone line, from which the readings will be fed straight into the supply company's computer.

In the reverse direction, the meter can be given instructions by signals sent over the mains cables or by means of broadcast signals from national radio transmitters. For example, tariffs can be re-set. Or, by agreement with the consumer, supplies to some devices can be cut off at peak demand times in exchange for a lower tariff. This might allow the supply company to reduce peak demand and avoid bringing in extra, more costly generation equipment.

### Tesco fuels the use of electronic fund transfer

TESCO, the major UK supermarket group, is offering Eftpos facilities at its chain of 80 filling stations. Holders of Midland Bank Autocheque cards can use the system, which recently went live at Hatfield, Hertfordshire and will be extended to the other stations by the end of July.

Eftpos, or electronic funds transfer at point of sale, allows shoppers to present a card, key in a personal identification number, and have their bank accounts directly debited by the value of goods purchased.

CONTACTS: Vicon: The Netherlands, 2026 0246 or in the UK on 0473 270027. Soule: France, 01 58 01 01 or in the UK on 0424 0224. PRI Group: UK, 0252 540045. Tesco: UK, 0924 3222.

# "BAA BAA"



[Fig 1.]



**In 1987, the former British Airports Authority was privatised and is now plain BAA plc (the initials don't stand for anything): a fact which some people seem strangely slow to grasp. To help them we invited celebrated lateral thinker Dr Edward de Bono to devise a foolproof way of remembering our new name and other salient facts. For his off-beat but distinctly original suggestions now read on...**

"Baaaaaaa" said Edward de Bono down the line from Toronto.

"Baaaaaaa" No doubt about it. The man was definitely bleating.

"Doctor de Bono? Is that you? Perhaps there's a sheep on the line."

"Softly or harshly, it's the same," he muttered, "Baaa. Noise a sheep makes". And he began to hum "Baa Baa Black Sheep."

Lateral thinking? Or was it creativity crossing the invisible boundary into lunacy?

"No I'm not going mad," he said.

"It's quite simple. What I'm trying to do is get people to remember BAA as a noise rather than a set of initials."

**How to remember that BAA is no longer the British Airports Authority but just plain BAA.**

We'd changed our name because, as a newly privatised company, we were clearly no longer an 'Authority'.

What else could our initials stand for? Alternatives like British Associated Airports and British Amalgamated Airports lacked the resonance the corporate soul so craves.

We'd explained all this to Dr de Bono. "Your problem," he told us, "is one of unthink."

"That's tough. I spend my time trying to find ways to think better. Unthink is a big problem. People won't do it."

"You can't just block a line of perception."

"You must provide a more powerful perception."

"A more devilish devil to drive out the existing one."

"Now, human beings will hunt for meanings in anything: star patterns, cards, tea-leaves, chicken guts, bat droppings... Given BAA they naturally look for a name."

"So we must reverse what we normally do when we try so hard to make people remember what our initials mean."

"We'll make BAA mean just BAA and not stand for anything at all. Luckily, everyone who has ever been a child already knows the word."

It was at this point that he began to bleat. (For Dr de Bono's solution, see Fig 1.)

**How to remember that BAA owns and runs just seven airports.**

"Since we've made BAA into a sheep, we might look for other ovine mnemonics," said Dr de Bono.

"Sheep are comfortable, non-aggressive and stick to routines. Airports should not be brash and demanding and puzzles for hyper-intellec-

It was a day later and he'd just flown into São Paulo, Brazil. "What's this '7 airports' business?" he asked. "Is this point really worth making?"

BAA, we explained, is tired of being blamed when things go wrong at airports it has nothing to do with.

On the other hand, it's proud of the fact that Heathrow and Gatwick are the world's top two international airports.

"Now that's magnificent," said Dr de Bono. "Enter BAA's magnificent seven."

Silence at our end.

"They're a bit hairy and macho," he added, "so we'll mount them all on our comfortable sheep." (There they are in Fig 2.)

**How to remember that BAA is not responsible for air traffic control.**

"I can appreciate why you want to publicise that air traffic control isn't your bag," said Dr de Bono.

"My flight out of São Paulo was delayed and I nearly missed my connection to Grenada. But it wasn't the airport's fault."

Over the phone came a noise like a crow clearing its throat.

"Caaaaaaaa," he said. "C.A.A. It's the Civil Aviation Authority who are responsible for air traffic control. Now let's see..."

"Sheepdogs control sheep. So let's whistle up, say, a cross between a Welsh gryphon and a Welsh collie and sit it on the control tower."

(Sadly, our photographic budget did not permit us to realise Dr de Bono's vision in all its glory. You will have to imagine the control tower. See Fig 3.)

**How to remember that BAA levies no taxes on passengers at its airports and has never cost the taxpayer a penny.**

"Say 'airport tax,'" said Dr de Bono, "and the word 'fleece' leaps irresistibly to mind."



[Fig 2.]

BAA's magnificent seven includes the world's two busiest international airports.

"In my experience a great deal of clipping goes on at airports."

"I should know. I use about 60 airports a year. 16 on this trip alone. They're always inventing baffling new taxes."

"In Australia (I've been there twice this year) they take 25 dollars when you leave the country. 'In Hong Kong they take HK\$100 as you check in."

"Take a picture of a clipped sheep and put a caption saying that there's no clipping at BAA airports." (We refer you to Fig 4.)

Our last call caught Edward de Bono as he was preparing to leave Grenada.

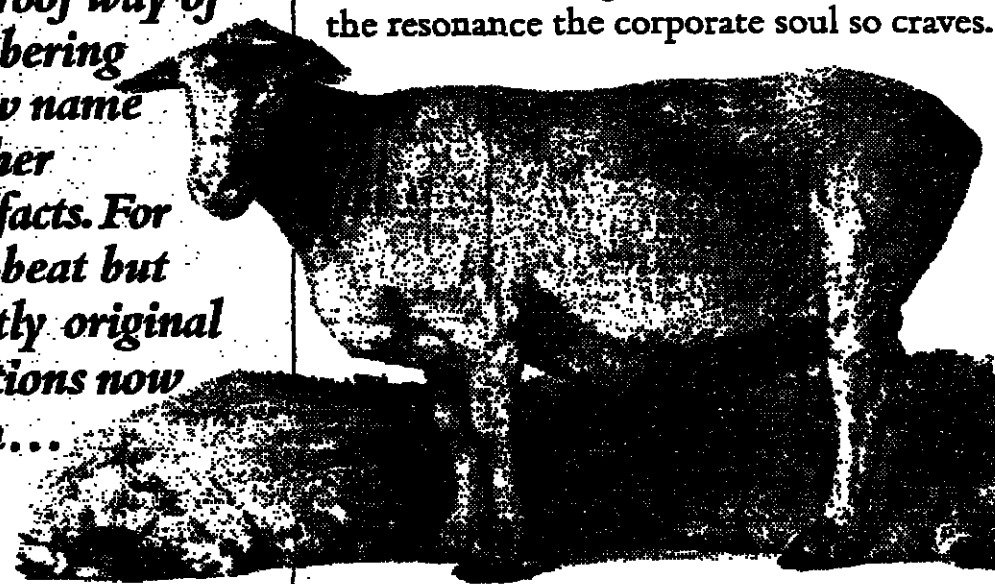
"We've taken your advice," we said. "Our art director has spent three days locked in a studio with three sheep, seven cowboys, a Welsh collie and a pigeon."

"Are you sure it's the best way to help people remember?"

"No," said Dr de Bono, "but it's one they'll never forget."

**BAA**

The world's leading international airport group.



[Fig 4.]

Taxes? Perish the thought. No-one gets clipped at BAA's airports.

Why not simply initials?

After all, Harry S. Truman stood for President with a middle initial that didn't stand for anything. It certainly didn't stand in his way.

[Fig 3.] Air Traffic Control is not a BAA responsibility.

BAA, we explained, is tired of being blamed when things go wrong at airports it has nothing to do with.

Heathrow • Gatwick • Stansted • Glasgow • Edinburgh • Prestwick • Aberdeen







## ARTS

Barbican Gallery/William Packer

## French eroticism

Art or Nature, the large retrospective exhibition of French photography in the 20th century, is the principal visual element in the Barbican Gallery's new current exhibition, *French eroticism* (until July 17, sponsored by Euro Tunnel).

Art or Nature? We are clearly here to make our choice, but it will always be a false alternative. The essential artificiality of the medium must be that, for photography, in that sense was always Art. And the camera, blurring at the world through its one mechanical eye, must always find something of nature in its view, though it may only be the work of man himself.

Aestheticism and naturalism would have been a nice distinction here, it makes the case more closely in the arrangement of the exhibition, with the general categories and periods - Pictorialism, Dada and Surrealism, Documentary and Reportage -

that are set out in the lower gallery. Upstairs, the individual cubicle galleries are given to the work of particular masters, through the period, from Albert and Lorraine to Doisneau and Klein, where natural concentration and particular familiarity again leads us away from any broader considerations onto the work itself. And I should say at once that most of the work in the show is marvellous.

We begin with the pictorialists of the early years of the century, those photographers, such as Robert Demachy and Constant Puyo, who sought to achieve in their work something not in imitation but equivalent, in mood and sensibility, to effects of painting. So close in spirit to both symbolism and the more satirical aestheticism of the time, their nude and portrait studies have a particular intensity and fascination, fraught with a gentle, unaffected eroticism that one can only begin to feel is very French.

It is a quality that one finds quite as much in the work of the more direct and natural observers. It does not necessarily lead directly on the nature of the subject-matter, but has more to do with an almost palpable sense of the physical immediacy of people, and things, caught on the wing as the moment vanishes. Albert's shopfronts stand enigmatically before us, defined with an almost febrile clarity. Brassai's lovers are caught for ever in the lamplight of the deserted street. Bibi sits beneath her parasol for Lorraine. Lee Miller, so calm and beautiful, outstares Man Ray. Boubat's children battle in the snow of the Luxembourg Gardens. Kertész looks through the door. Chez Mondrian, Rons stops the lady's legs in blurred mid-stride onto the pavement. Doisneau snatches a kiss. All so very different and yet so much the same.



Untitled photograph by Constant Puyo, c 1894-1902

## Musical pendant on which to hang glittery baubles

The career of the composer Sylvia Bussotti has had only a limited impact outside his native Italy. Venice, and Florence, his home-ports, have become the twin poles of his artistic life, perhaps appropriately so considering he was brought up equally in the Tyrolean and Venetian dialects, and even sometimes both at the same time.

Last week it was the turn of the Maggio Musicale in Florence to present the premiere of his latest stage work. This is *L'ispirazione*, a piece which must be as an extravagant entertainment as any in the city's colorful history, and by no means an easy one to categorise. The term opera is probably insufficient for any work by Bussotti, but this has turned out to be an even more fantastic concoction than the earlier stage works, for which he has already coined the special name *Bussottoperaballet*.

There is a plot of sorts, taken from a short story by the German writer Ernst Bloch (an old drunken violinist composes secretly at night and only wins public acclaim when his daughter finds his library and sings one of his works in public). But for Bussotti this central theme is

little more than a pendant on which to hang as many glittery baubles as he can.

A fine sequence is shown: a speechless lands on the stage; a baroque orchestra is conjured up. And that is just the first ten minutes. A journey in time and space to the Future, "that great theme park in the sky," as the libretto

outrageous fashion parade. The problem - and it is here the work ultimately fails - is that one senses Bussotti enjoyed designing the dresses a lot more than he did writing the music. Though the eyes stay on the alert, the ears soon tire of a score that is short on musical individuality: a pale echo of musical influence.

her opening number backed by a group of dancers in silver beading costumes and with large saucers on their heads. The much loved comic veteran Renato Capocci was also in there somewhere as the Maestro di Cappella. Not to be outdone, the orchestra and conductor (Jan Latham-Koenig) ended the performance by

done at all. It is difficult, though, to see any life for *L'ispirazione* outside this production. Bussotti has complained that his opera rarely got revived or shown outside their original venues, and this one looks set for the same fate. Even if a London audience had the patience to get to grips with *L'ispirazione* (which seems unlikely), there is no sign that the money would be forthcoming to give an extravaganza like this the send-off that it needs. Florence has indeed rewarded her son most generously.

## Richard Fairman reviews Bussotti's new work, 'L'ispirazione,' at the Maggio Musicale, Florence

has it is the excuse for anything and everything to happen; and the producer British film director Derek Jarman wisely lets it all run its own erratic course. - It is certainly no good looking for any sense in the piece, unless it is as an extension of the composer's exhibitionist personality. The multi-talented Bussotti, artist, composer, designer, man of the theatre, is everywhere at work, as though he is intent on creating a sort of light-hearted *gesamtkunstwerk* in the Wagnerian tradition, even down to designing the costumes himself. The curtain calls looked like an

outrageous fashion parade. The problem - and it is here the work ultimately fails - is that one senses Bussotti enjoyed designing the dresses a lot more than he did writing the music. Though the eyes stay on the alert, the ears soon tire of a score that is short on musical individuality: a pale echo of musical influence.

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## Winnie/Victoria Palace

Martin Hoyle

Just in time for the burgeoning tourist season comes this nostalgic and respectful trip through the last war's darkest hours as seen by the prime minister of the day. Described as "a play with music" by Robin Hardy, it incorporates songs of the war with new numbers by Cyril Ornadel, but remains an oddly cobbled-together piece, uncertain whether to become a string of old favourites or a touching evocation of stirring times and larger than life personalities.

It is presented as a show within a show. A war-damaged German theatre in 1945 is being utilised to mount a tribute to the PM on the eve of the general election which is bound to confirm his peacetime position. Available talent includes an ENSA group, actually prepared for *Julius Caesar*, whose leading lady is an ex-wife of the director/leading man (shades of *Kiss Me, Kate*), a troupe of leggy hoofers (Doris and her Daides) and smudgy local musicians and stage staff. An American colonel is pre-occupied in the role of Roosevelt's special envoy.

The comedy promised by back-

stage ill-assortment never materialises. Instead we get snatches of *Happy as a Sandbag*, a whiff of *Blimp* and *Dad's Army*, and a dose of hearty Bart-type camaraderie with a rousing version of "The Going to the Sun" when the Lights Go Up in London" from a Tube-full of air-raid fugitives. It even turns into a show within a show when a Brixton pub puts on a musical-hall turn (Tom Palmer as a pearly queen leading a knees-up) and a young lieutenant proposes to his girl, Winnie's secretary, urged on by the hissing siren and unusually slim-tipped sound Londoners.

The musical numbers are cemented by Robert Hardy's Churchill. Mr Hardy distinguishes vividly between ENSA's expressive (a finely calculated study in casual throw-away) and the premier who, it must be admitted, comes over as every-one's party-turn imitation of those famous mannerisms in the few actors capable of expressing full-blooded rhetoric without embarrassment today, but is inhibited by the comic-strip limi-

tations of the role as here depicted. Virginia McKenna is a beautiful and gracious Clemmie, fulfilling Mrs Churchill's more or less historical functions of gently reproving Winnie when he was a bully and singing Noel Coward's "London Pride" to the harmonising citizenry in air-raid shelters. The music is eclectic; thus a group of ATS on drill do their bit for the war effort by discarding their skirts and singing "Kiss Me Good-Night, Sergeant-Major" in lace-trimmed knickers. Lesley Duff belts out "A Nightingale Sang in Berkeley Square" in tones as metallic as her silver Maria Montez outfit, flattening as surely as the bomb destroyed the Café de Paris - this scene at least gives a frisson of original theatricality as the doomed dancers whirl to an increasingly nightmarish frenzy. Miss Duff shows she can do it properly with a lovely rendering of that Olde English air, "You'll Never Know." Amazing quick changes; loud bangs; revues; a tank and an apocalyptic bulldog. As the band reminded us at one point, there'll always be an England.

The performance of the Seventh Symphony that brought the series to a close was without doubt the most exciting I have ever heard in the concert hall. The paradox that has already



Virginia McKenna and Robert Hardy

## Greenland/Royal Court

Michael Coveney

The Royal Court season of Howard Brenton's "Three Plays for Utopia" has recapitulated the sexual adventures of *Sore Throats* (1984) and the communal artistic experiment of *Bloody Poetry* (1984). In his new play, Brenton sets out to dramatise how he hopes we shall be living and thinking in 700 years time.

It is a gloomily tranquil and androgyne vision that envelopes the four characters who fall into the future through the river Thames on General Election night last year. Love and thought are free, property has no value, religion is extinct, AIDS was a false alarm, there was no nuclear holocaust and a plastic item long thought to be a dildo is in fact a bottle of Fairy Liquid.

In a fast, furious and often funny first act, each of the four characters is brought to a pitch of despair. Joan (Jane Lapotaire) is a Labour Party candidate of the Kinloch colour. Lord Ludlow (David Haig) is being eaten alive by gambling debts and paranoia. Betty Blaze (Sheila Hancock) is a New Puritan who encounters her daughter playing a topless Crucifixion scene in a street theatre company. And Brian (Larry Lamb) is a seriously drunk failed fantasist from the council flats swaddled in his own soiled sheets.

In each case, Brenton has his eyes firmly fixed on a target. Salvation is the name of the game in his second act, where kindly Greenlanders in soft white robes and yashmaks have guttural cries under beaming duets and a jeweller, Jac (Ben Onwukwe), makes glass gewgaws on a little portable lathe worn round his

neck like an usherette's ice-cream tray.

Jace befriends Joan, who travels across Poland to meet the Last Reactionary (Ron Cook). This fur-hatted irascible denizen of the hills outside Moscow tells her that all books and films have vanished. Apart from the "dildo," the last copy of the Bible and a cache of Greek tragedies unearthed in Alexandria, all that remains are three paintings by Picasso and a play of Alan Ayckbourn's, *Just Between Ourselves*. In trying to combine a perspective on what happened to our culture with a vision of life in a futuristic present, Brenton attempts even more, in some ways, than did William Morris in his idealised epoch in *News From Nowhere*. That book, which Brenton has indicated, unsuccessfully, fully he has confessed, to dramatise, is mentioned as an example of how to invent a future with practical optimism.

But even Morris did not eliminate sexual maladjustment and violent crime from his utopian dream. This reflects the pattern of the play, which falls to pieces the moment Brenton trades in his anger and prophetic despair for speculative whimsy. One is despondent to see him harbouring such high hopes for the human race.

Most Utopian fiction in the tradition of Zamyatin, Huxley and Orwell, is about the present. Brenton has written similarly satirical dystopias himself, notably *The Churchill Play* and *Weapons of Happiness*. What he wants is clearly what he predicts - the collapse of capitalism and what is termed "the stripping of America" late in the 21st century. But he has not really succeeded in dramatising these jejune political hopes. Greenland is a ghastly hippie oasis of soft-spoken artists where the climate of trinkets and trickery is more redolent of Camden Lock than of Kilmiscott Manor.

The text, unusually for Brenton, veers alarmingly between the ferocious and the sloppy, making the best passages starkly illuminated by Janet McTeer as a gibbering aristocratic battered wife and Lesley Sharp as the lesbian thespian. These two joyfully talented performers have more trouble with the under-written free-livers. This reflects the pattern of the play, which falls to pieces the moment Brenton trades in his anger and prophetic despair for speculative whimsy. One is despondent to see him harbouring such high hopes for the human race.

## Beethoven/Elizabeth Hall

Max Loppert

Beethoven is box office. For Tuesday's concert, the last of the London Classical Players' Beethoven series, invented and conducted by Roger Norrington (and sponsored by Logica), every seat was taken, and the hall was alive with the kind of buzz rarely heard or felt in this particular auditorium. The series of the symphonies, piano concertos, and overtures on instruments of the composer's period have proved revelatory: not just because the "new" sounds thus produced have made one listen with new ears, but above all because of the renewed thrill and joy of the musical content thus freshly uncovered.

The performance of the Seventh Symphony that brought the series to a close was without doubt the most exciting I have ever heard in the concert hall. The paradox that has already

been discussed previously must be trotted out once again: it is in large part because of the period instrument sound as delivered by Norrington and his forces that Beethoven's startling modernity of vision becomes so scalp-tingly manifest.

It was a superbly well-played "authentic" performance, with few fluffs or blunders, and a crispness of execution that betokened expert preparation; and it produced a rawness of corporate sonority, un-homogenized, distinct in departmental strands, that went to the heart of the argument. (The same could be said of the *Corydon* Overture at the start of the evening.) Sound and substance were absolutely one. (The separation of first and second violins was itself a dramatic stroke freshly revealed.) Rhythmic energy was created, not forced - the A major Sym-

phony stood in direct line as the 19th-century ancestor of *The Rite of Spring*.

Norrington's concern for correct tempos and his ability to secure clean articulation in the inner parts were in perfect balance with the case in the early performances of the series, and it showed how his own mastery of Beethovenian discourse and structure has grown with the experience. Tuesday's concerto performance, of the G major, was marginally less successful - Melvyn Tan seemed flustered, rhythmically unstable in the first movement, and it was not until the finale that the full benefits of textural clarity and intimacy, and of the soloist's graceful fingerwork, were paid as they should. As a whole, though, the concert was a marvellous one to a marvellous series.

## London Symphony/Barbican Hall

David Murray

Graced by the presence of the Queen Mother and sponsorship by Eurotunnel, Tuesday's concert by the LSO was part of the "Images of France" series. We had mostly non-French musicians performing French music and the other way round, though the conductor, Van Pascal Torriani, is a native French. The accompaniment to Chopin's F minor concerto offered him no special opportunities, but his impeccably paced account of Maria Ewing had many refined details and some surprising ones. No doubt Ewing went well too, but having had my maximum permitted exposure for the decade I was unable to stay for it.

*Shéhérazade* found Miss Ewing in lovely form, seductive timbre

enhancing the fine intelligence she brings to these songs. Better still, most of the cabaret vocal slides she used to indulge here have been quietly shelved, to the great benefit of Ravel's line, and without prejudice to her rare theatrical involvement. Odile Custodet was the pianist in the Chopin concerto: a certain rhythmic blandness - no hint of any national dance-pulse - was compensated by her usual huge energy and richly balanced tone. She scarcely ever dares to be playful in non-French music, but her musicianship is always sound, and the sheer pleasure of hearing the piano so resplendently played is a reward in itself.

The concert began with less familiar stuff, French airs and

theatrical scenes from two and three centuries ago - Lully and Marc-Antoine Charpentier, Michel Lambert and Henri Dumont - performed by William Christie's distinguished ensemble Les Arts Florissants. As usual their voices and strings were persuasively stylish, light and communicative. The airs spoke for themselves; Lully's and Charpentier's satirical interludes for Molière plays, delivered with rancorous verve, needed their texts - duly printed in the programmes which most of the audience received only at the interval. Lully's "Ballet des nations" scene happened to be about frustrated ballet-goers unable to get programme-books, a coincidence which amused those of us who'd been lucky enough to be given them.

## Arts Guide

## Exhibitions

## LONDON

The Royal Academy, Ceramics: The last 40 years 1938-78. An exhibition of the work of the greatest artists of the 20th century, from the modern movement to the present. Ends August 21.

The Royal Academy Summer Exhibition. The 220th Summer Exhibition in an unbroken sequence and still the largest Open Exhibition of current painting, sculpture, print and architecture in the world. Daily until August 7.

Barbican Art Gallery, Art or Nature - a thorough survey of French photography in the 20th century as part of the Images de France Festival. Ends July 17.

The Hayward Gallery, Two concurrent exhibitions: *Angry Penguins* - a fascinating study of the group of young painters active in Melbourne during and just after the Second World War. Sydney Nolan, Arthur Boyd, John Falvey and Albert Tucker are all shown in impressive depth. Both shows until August 14.

British Museum, Ukiyo-e - Images of Unknown Japan. This large exhibition of 45 paintings, 400 drawings and gouaches and nearly all the illustrated books which have been given to the French state in lieu of death duties constitutes a unique retrospective of Chagall's life and work. (27 77 12 33) Closed Tues. Ends June 5.

Galérie d'Art Saint-Honore, A vast allegory of war and peace painted in the atelier of Hans Broughel the elder forms a striking centrepiece of an exhibition of Flemish masterpieces. 267, Rue Saint-Honore (4393838) Ends June 15. Closed Sat, Sun, and lunchtimes.

Pavillon des Arts, The magnificence of silversmiths' work in India during the reign of the Mughals lends to their love of luxury. 101, Rue Rambuteau (4393838) closed Mondays and holidays. Ends July 17.

Galérie d'Art Saint-Honore, Gustav Klimt's deep blue of the Mediterranean framed by green pine trees and orange earth entices the passer-by into an eclectic exhibition of some 50 works by the masters of the 19th and 20th century. 56 bis, Rue Fav-

with more than 500 objects in bronze, bamboo, textiles and precious metals spanning 2,000 years of cultural history. Ends August 21.

Amsterdam, Jewish Historical Museum, To celebrate the 40th anniversary of the founding of the state of Israel, an exhibition devoted to the theme of life in Jewish ritual. Ends June 12.

Amsterdam, Vondelpark, The life and work of the Canadian pianist Glenn Gould, in an exhibition which includes recordings of legendary video recordings, including some never shown before. (Weekends until June 12. (Vondelpark 120).

PARIS

Centre Georges Pompidou, Marc Chagall 45 paintings, 400 drawings and gouaches and nearly all the illustrated books which have been given to the French state in lieu of death duties constitute a unique retrospective of Chagall's life and work. (27 77 12 33) Closed Tues. Ends June 5.

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Historisches Museum, Karlsplatz, The cultural legacy of Vienna's Jews. Ends June 5.

American Museum of Applied Arts, Kunst und Revolution. A rare opportunity to see, under one roof, an exciting burst of creativity by Viennese and Austrian artists between 1910 and 1930. Closed June 15.

Kunsthistorisches, Public art and protest. Biedermeier and Vormars in Vienna 1815-1848. Ends June 12.

Bathurst, When 1988, Vienna's city hall is commemorating the Anschluss, the German annexation of Austria in 1938. Ends June 30.

NEW YORK

American Craft Museum, An ambitious show that traces the history of American architecture back to the turn of the century. Ends Sept 4.

Pierpont Morgan Library, Over 300 items from the life and art of Beatrix Potter show the evolution of the artist and her work. Ends Aug. 21.

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WASHINGTON

National Gallery, The human figure in early Greek art is the subject of 67 sculptures and painted pottery starting in the 8th and 6th centuries BC. Ends June 12.

National Gallery, To mark the 500th anniversary of the first Swedish colony in North America, a royal treasury covering four Swedish monarchs in the 16th and 17th centuries will show Sweden as a renaissance and aggressive world power. East Wing. Ends Sept 5.

CHICAGO

Art Institute, A century retrospective of the work of Georgia O'Keeffe evokes the world of flowers and

## Saleroom/Antony Thornicroft

## Enthusiasts rich pickings

The fine art auctioneers, Sotheby's and Christie's, started life two hundred years ago selling everything from a stack of hay to a few old books. These days, as they try and keep their turnover at constantly record levels, there is a pile of it, all it dear, attitude, abroad, too.

Sotheby's yesterday was disposing of garden furniture at its Billingshurst saleroom and marine pictures in London. No one can pretend that there are serious art but there are enthusiastic collectors for both, not least among rich yachtsmen, and especially American rich yachtsmen, for the pictures.

Montague Dawson is the marine artist supreme, and twenty-one of his oils and watercolours were on offer. "The Golden Fleece" showing a sailing ship at sunset, sold for £58,400, roughly twice the estimate, and an auction record for Dawson. His re-creation of a China clipper on choppy seas also did very well at £35,200.

A depiction of the Battle of Trafalgar by William Stuart sold to the London dealers, the Fine Art Society, for £34,100. It was painted well after the event, around 1850, by Stuart, a little known artist who lived in Stoney. He gives a graphic description of the battle, not entirely factual, but showing the height of the action in the afternoon.

Another Dawson, "The Adelaide," sold well above estimate

at £30,900 while a representation of the visit of Queen Victoria and Prince Albert to King Louis Philippe of France at Trepoirt 1845, commissioned by The Earl of Haddington, whose family were first Lords of the Admiralty until recent years, made £23,000. "The relics of Trafalgar" by Charles Wynne Nicholls, exhibited at the Royal Academy in 1881, doubled its estimate, at £30,500, to an American collector; the relics are old sailors rather than bits and pieces. Sotheby's has pioneered sales of garden statuary and architectural items and its early summer auction in Sussex is proving its most successful ever. The first day raised £396,649, with only 3 per cent of the lot, and yesterday morning added another £329,450, with 4 per cent unsold. Top price was the £37,400 paid for a white marble group by Charles Birch, entitled "A wood nymph," created in 1865, and showing a naked girl fondling deer.

A Georgian white marble chimney piece of the late 18th century doubled its estimate at £16,500 and a white marble group of an Amazon on horseback late 19th century, also did well at £14,400. Statuary seemed to be popular. A white marble group, in the style of the antique, of the Ludovisi Mars, also late Victorian, went for £14,850, also twice its forecast. Rich men, with grand houses, are buying up impressive statues to set off their villas.

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A depiction of the Battle of Trafalgar by William Stuart sold to the London dealers, the Fine Art Society, for £34,100. It was painted well after the event, around 1850, by Stuart, a little known artist who lived in Stoney. He gives a graphic description of the battle, not entirely factual, but showing the height of the action in the afternoon.

Another Dawson, "The Adelaide," sold well above estimate

at £30,900 while a representation of the visit of Queen Victoria and Prince Albert to King Louis Philippe of France at Trepoirt 1845, commissioned by The Earl of Haddington, whose family were first Lords of the Admiralty until recent years, made £23,000. "The relics of Trafalgar" by Charles Wynne Nicholls, exhibited at the Royal Academy in 1881, doubled its estimate, at £30,500, to an American collector; the relics are old sailors rather than bits and pieces. Sotheby's has pioneered sales of garden statuary and architectural items and its early summer auction in Sussex is proving its most successful ever. The first day raised £396,649, with only 3 per cent of the lot, and yesterday morning added another £329,450, with 4 per cent unsold. Top price was the £37,400 paid for a white marble group by Charles Birch, entitled "A wood nymph," created in 1865, and showing a naked girl fondling deer.



## FINANCIAL TIMES

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## A continuing dialogue

FEW PEOPLE will be tempted to throw their hats in the air after the Moscow summit. In terms of concrete achievements, it can best be described as no more than a qualified success. Yet it would be unreasonable to be disappointed with a result that was accurately forecast by both sides.

It would also be shortsighted to look at the achievements of the summit merely in terms of agreements reached or signed. As Mr Gorbachev explained in his long and impressively candid press conference yesterday, that is not necessarily the point of such meetings, though in the past both leaders have always tried to make them the occasion of announcements, such as the Intermediate Nuclear Forces (INF) treaty, which fire the public imagination.

This time they could come up with little more than relatively minor concrete agreements, which will allow the ratification of two long-delayed nuclear test limitation treaties, and an exchange of the instruments of ratification of the INF treaty itself.

## Ratification

The fact that the latter ceremony was built up into a major event was not entirely unjustified. For, although the treaty abolishing all land-based medium range missiles was signed at the last summit in Washington in December 1987, it completed its difficult passage through the Senate only just before the Moscow meeting. Indeed, it probably would have been bogged down there for many weeks to come but for the realisation by both the Democratic majority and Republican leaders that Mr Reagan's position in Moscow would be seriously weakened if he appeared unable to secure the ratification of a treaty he had himself signed after lengthy negotiations.

However, the really important result of the summit is that it has demonstrated the desire of both Mr Reagan and Mr Gorbachev to solve bilateral and international problems through a continuing political dialogue. The idea of such meetings should be held regularly even without any prospect of major agreements has now taken root in the minds of both leaders. That is all to the good, since too much drama at summits is not necessarily con-

ducive to an improvement in relations or the international climate, as the Reykjavik summit in October 1986 showed all too clearly.

Having ruled out in advance any conclusion of an agreement on a strategic arms reductions treaty (Start) at the Moscow meeting on the sensible grounds that it would be a serious mistake to rush through a treaty of such complexity, the experts of both sides were able to make significant progress on details. Fundamental differences still exist over such issues as the US refusal to submit submarine-launched cruise missiles to a verification regime, but progress on other problems such as mobile land-based and air-launched cruise missiles will permit the Geneva arms control negotiations to resume in July on a more constructive basis.

## Catalogue

Though it must still be considered very much an outside chance that a Start treaty can be concluded before President Reagan leaves the White House in January next year, the establishment of a catalogue of arms control problems on which the US and the Soviet Union are already agreed shows that the two leaders are serious about trying to meet this target.

President Reagan has come in for some criticism, and not only from the Russians - for the persistent and public manner in which he has harped on human rights problems in the Soviet Union. It is true that he adopted a sermonising tone which offended his hosts and prompted Mr Gorbachev to complain that he was ignoring the progress already made in this field. The fact is, however, that progress towards greater individual freedom and democratic rights under Mr Gorbachev is still limited and that international pressure is still an important, perhaps indispensable, factor sustaining the pace of change.

The real proof of Mr Gorbachev's desire to build a continuing relationship with the US was his decision to allow the US to hold meetings should be held regularly even without any prospect of major agreements has now taken root in the minds of both leaders. That is all to the good, since too much drama at summits is not necessarily con-

## Reaganomics under test

WILL THE US be able to have its cake and eat it? If it can, will the rest of the world choke on the crumbs? These are the questions raised by a reading of the latest OECD report on the US economy. That the US has had its economic cake is clear. Up to now, the performance of the economy under Reaganomics has been excellent. 1987 will be the sixth year of sustained growth, the rate of GNP growth having been close to, or above, 3 per cent in every year since 1982. Employment has risen by 15m since 1982, while the latest statistics show an unemployment rate of 5.4 per cent, the lowest for 14 years. Finally, inflation has remained well under control. Despite all the criticisms supply-side economics appears to have offered the US a free lunch or, at least, free cake.

Of course, the tastiest morsels were paid for by foreigners. Thus the OECD report estimates that the net asset position of the US has deteriorated from a surplus of \$106bn in 1980 to a deficit of \$400bn at the end of 1987. At least until last year, however, supply-side could argue that the scale of US borrowing reflected well, not badly, on the programme, since finance was voluntary. This thesis is no longer plausible. In 1987 the monetary authorities of the rest of the world made the US the beneficiary of one of the largest aid programmes of all time, to the tune of some \$140bn.

## Alternative

This observation does not end the argument. Maybe the US will get away with an expansion fuelled by borrowing abroad, just because the rest of the world would rather finance US adjustment, however slow, than permit the crisis that is the probable alternative.

It is clear that the large dollar depreciation between 1985 and 1987 has had a significant effect on export performance. In 1987 the volume of exports of goods and services rose by 12.8 per cent over the 1986 level. Such export growth could solve US problems, if it were not for the buoyancy of imports. The latter does, however, reflect not merely the continued growth of personal con-

sumption, but the growth of investment as well. Thus the OECD expects non-residential fixed investment to rise by 9.4 per cent in 1988, such an increase promising a sustained export expansion that will ultimately balance the external accounts.

It is possible, then, that the US will be able to enjoy first growth with growing deficits and then adjustment of the deficits with steady economic growth. What could undermine this happy denouement for the Reagan years? The danger is that the adjustment will turn out to be too slow. It is on this point that the OECD report makes unhappy reading. The growth of export volume is expected to decline in 1989 and that of imports to be sustained, leaving the country with a continued current account deficit of over \$100bn a year indefinitely.

## Implications

If this scenario comes to be believed (whether or not it is correct), two things are likely to follow at some point: renewed difficulty over the dollar and a decision by foreign governments, concerned at the long-term implications of open-ended intervention, to withdraw support for the dollar. With fiscal policy so inflexible, the US authorities would then face a bitter choice between the inflationary consequences of rapid depreciation and the recessionary effects of a tighter monetary policy. Indeed, there is no small likelihood of both inflation and recession coming together.

Usually, by-standers get a certain pleasure from watching profigate receive their just deserts. In the case of the US, however, such pleasure is unlikely to be unalloyed. Without great luck and decisive action by a new administration to raise national savings (mainly by eliminating the fiscal deficit through a precisely-defined and credible multi-year programme) it seems unlikely that the US will end up by eating the cake of Reaganomics, without at least a few hiccups along the way. It is still more probable that in the process the rest of the world will choke, if only on dollars.

ON TUESDAY evening Mr Michel Rocard, France's new Socialist Prime Minister, was the star speaker in a multi-media general election rally in Marseilles. The crowd cheered him to the echo, applauded the name of President François Mitterrand, and whistled at that of Jean-Marie Le Pen, leader of the extreme right-wing National Front. Yet one third of the seats in the vast exhibition hall were empty, and the meeting ended 40 minutes earlier than scheduled. It was not an exciting occasion.

Until the beginning of this week, indeed, you would have been hard put to it to know for sure that there was a general election under way in France. Here and there a few posters for the local candidates, on television a strict ration of official party broadcasts and an uninterrupted flow of inventive analysis on the radio and in the press, but no policy debate, no political spectacle, no tension. In short, no campaign.

It has, of course, been very sudden. The general election - with first round voting on Sunday - has come so hard on the heels of the presidential election that the politicians have hardly had time to catch breath. During the first week after Mr Mitterrand's snap decision on May 14 to dissolve the National Assembly, the parties were far too busy with their internal negotiations on lists of candidates to have any time for campaigning. The centre-right UDF grouping and the neo-Gaullist RPR were wrestling with the task of trying to build a (more or less) united defence against the National Front, the power brokers in the Socialist Party were arguing about how many seats they just might be prepared to hold open for centrists (or even Communists).

The Socialists are buoyed up with the expectation that the tide of Mr Mitterrand's sweeping victory in the presidential election will carry them to a similar victory in the legislative elections; so it is not surprising that they should be doing the most to mount big public meetings. A surprisingly vigorous national campaign is also being conducted by Mr Pierre Jégou, the reforming Communist, though it is aimed more as a continuing attack on the unreconstructed hard-liners of the official Communist Party than in hope of any significant electoral success. And in Marseilles Mr Le Pen still gets top billing in the media with the only campaign which is giving off genuine sparks of political conflict.

The neo-Gaullists, by contrast, are showing the discretion of defeat; they have planned no major national spectacle, and their candidates seem mainly to be concentrating on shaking hands with local voters at the grass-roots. Even Mr Jacques Chirac, the Prime Minister, has remained largely absent from the public stage. He has spoken at a meeting in Grenoble staged by the local party - it appears to have attracted a very thin audience - and he has made one or two walkabouts. But on the whole he has stayed out of the limelight, preferring to cultivate his own rural constituency in the Corrèze.

There are many reasons for the reticence of the Gaullists, but the list starts with three main interlocking factors: defeat, cohabitation and consensus. Together they add up to a major question mark over the future of the Gaullist movement, its leadership, and its relationship with the rest of the French right.

From the moment the presidential campaign first stirred to life last summer, the polls seemed to point consistently to a Mitterrand victory. But with the energy of a hyper-active campaign, Chirac first succeeded in overtaking the Gaullist movement, and then in the final weeks looked as if he might be able to narrow Mr Mitterrand's lead. In the event, he suffered a humiliating defeat, with less than 20 per cent of the vote in the first round, and less than 46 per cent in the second. This was a crushing popular rejection, though it was hard to tell if it was of the man, of his party, or both.

Since Mr Mitterrand's 54 per cent vic-

## Ian Davidson explains why France's general election looks likely to hand Jacques Chirac another defeat



## After the wreck, an awful hush

now it had come to the end of its life and could no longer survive. The choice before the electorate was between liberty and socialism.

This was not a very convincing line of attack. It was hardly consistent with the surprising degree of policy consensus which marked the platforms of all three main-stream candidates. And, during cohabitation, the President and the Prime Minister had had their conflicts, but it is hard to think of any major policy objective where the Prime Minister was frustrated by the President. If there were serious policy setbacks, over university education, for example, or the reform of the national-ity act, they were inflicted by popular protest. In constitutional terms, the two years' cohabitation showed that Mr Chirac's government was able to govern, despite its narrow majority and the permanent tension with the President.

But having denounced cohabitation, Mr Chirac has effectively ruled out the *raison d'être* for a thriving general election campaign by the Gaullist party. Mr Mitterrand has been elected by a wide margin; his second term in the Elysée has all the legitimacy of massive popular endorsement. Even if, against all predictions, the right and centre-right parties were to retain a majority of the seats in the National Assembly, Mr Chirac and his government could not decently claim a return to power.

Moreover, the hallmark of the presidential election campaign was the note of consensus. Mr Mitterrand, Mr Barre and Mr Chirac all spoke in such similar

terms that it was hard to detect really substantial policy differences between them. The top priorities for all three candidates were essentially the same: the fight against inflation, stability of the franc, the promotion of the Ecu and the establishment of a European central bank, the promotion of French economic competitiveness and the strengthening of the education and training systems, the single European market in 1992.

In the closing days of the campaign, the consensual mood was disrupted by a sudden rightward lurch by the Gaullist party. In an attempt to woo Mr Le Pen's supporters, but since most of the presidential contest had been fought in terms of personal style, with little of the traditional ingredients of a left-right contest, it now becomes rather difficult for Mr Chirac and his Gaullist movement to recreate the kind of platform which would magnify the differences between left and right and which would be suitable for a general election.

Whether Mr Chirac was helped or hurt by his rightward lurch is still a moot point. France was shocked by the discovery that Mr Le Pen could score as much as 14.4 per cent in the first round of the presidential elections. But the shift from proportional to majority voting means that the National Front is bound to lose many of its 32 seats in the National Assembly and one poll predicts that the party will fail to win a single constituency. This would not be the end of Le Pen; his xenophobic, law-and-order rhetoric will no doubt keep its appeal for the protest voters, and he

much to the disappointment of some of their Tory colleagues. The two were on holiday together yesterday, but party colleagues confirmed the story. Indeed it is a measure of the respect in which Tillet is held that the Labour group leader, Bob Laxton, insists that he has never sought to make political capital out of the relationship.

He was complimentary about Tillet, who is the longest serving Derby councillor and has been Tory group leader for about nine years. Tillet's problems, said Laxton, lay in his own party. Laxton feels that the hard right is gaining control of the group and that Tillet's days could be numbered in the meantime. However, council affairs have been given chairmanship of the planning and economic development committees.

The other Moscow A new booklet, *Alternative Moscow*, published today, is just too late for the hordes of journalists covering the summit meeting. Nicholas Albery, the editor and chairman of the Institute for Social Inventions, writes about the Moscow that Reagan didn't see. Albery found on a visit last month that the "perestroika" spirit reminded him of the hippies of 1968 in San Francisco. If you want naked dancers, you should go to a forthcoming production by Sergey Kozmin at the Na Dskakh Theatre; if you want "social games" there is group marathon therapy in which a group of people lives for a week or more without any pre-set sexual or other rules. The institute includes among its patrons the ubiquitous Sir Peter Parker and the author Colin Wilson.

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## New market

An American businessman took a sabbatical to study business ethics in Oxford. He is going home swearing that there is "a real market in these ethics".

## Poor Greek diplomats

At the Greek foreign ministry this week business is not as usual. For the third time since September, Greek diplomats are on strike for higher pay. The fourth time could prove embarrassing for the Government, for the Greek Diplomatic Union, which warned that if its demands are not met, the next strike will coincide with the Greek Presidency of the European Community which starts next month.

The union claims that Greek diplomats, whose salaries have been frozen since 1980, are the worst paid among all Community members. Greece's ambassador to the EC is said to earn £87,000 a year, when "even" his Portuguese colleague, in the comparison advanced by the union, makes £130,000. An employee of the embassy in Tokyo is talking of applying for a second job as a waiter.

Greece also stands at the bottom of the EC list in terms of its foreign ministry budget. As a result, most embassies abroad are understaffed. An ambassador to a European capital (moles say Helsinki) is believed to have cabled that he was having trouble clearing security when pulling up at official functions at the wheel of his embassy car, for lack of a driver.

Behind the figures, diplomats say, lies a philosophy which assigns the career service a very menial role in the formulation of foreign policy. They believe that this has gained ground during the last seven years of socialist government.

The resignation last month of the head of the directorate for Turkish and Cypriot affairs, on the grounds that the directorate had not been consulted on the Greek-Turkish rapprochement launched by Prime Minister Papandreu in Davos in January, highlighted the problem. "We have arrived at the end of our possibilities and patience," says the union.

At the Greek Embassy in London yesterday only what sounded

like a caretaker was answering the telephone. He asked the diplomats were coming back today.

## British tradition

There must have been several plays called *Tumbledown* shown on BBC television on Tuesday to judge from the variety of reactions, which ranged from moral indignation to near-adulation. The *Tumbledown* that I saw seemed typically British. The British are very good at warfare, very good at acting and very good at making plays and movies about the whole range of human emotions, which lends itself to social comedy and to social outrage.

*Tumbledown* was in that inbred tradition, even down to the point of suggesting that the hero might have been different if he had been at Eton, not Pettes. It was very professional and only a little pretentious. Those who say that it was anti-war should look again at sections of Shakespeare's history plays, which are far more devastating. The politics of the Falklands war was not even discussed.

In short, it was good middle-brow stuff - just right for the BBC.

## GM survived

Some 18 months ago, when General Motors' reputation was at its lowest ebb, a few people on Wall Street began to think the unlikely perhaps GM could fall prey to the ultimate corporate raid. Only yesterday, however, did they learn that the idea had occurred to Lee Iacocca, the chairman of Chrysler.

In *Talking Straight*, a sequel to his best selling autobiography *Iacocca*, he reveals that he seriously considered a hostile bid. The thought was put to him by Victor Potamkin, one of America's biggest car dealers. Iacocca says he was then approached by Edward Hennessey, chairman of Allied Signal, a widely diversified industrial conglomerate, which

## OBSERVER



includes auto components. Allied would buy GM's component businesses while Chrysler would keep the car assembly and financing operations. "We would need only \$40bn," Hennessey pointed out.

The pair got as far as consulting Felix Rohatyn, Lazard Freres' top merchant banker, but dropped the idea because of antitrust and financing problems. "I concluded it might be easier to buy Greece," Iacocca writes.

## Derby's odd couple

Conservative Central Office was surprised to hear yesterday that one of its local election success stories last month, the capture of Derby City Council, was engineered by a staunch critic of Clause 28 of the Local Government Bill.

The Labour weekly, *Tribune*, has revealed that Jeffrey Tillet, the new council leader, was an active campaigner for gay and lesbian rights with fellow councillor and live-in companion Robin Wood. Wood and Tillet, who run an art gallery and bar which is well frequented by the gay community, publicly opposed Clause 28,

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ECONOMIC VIEWPOINT: By Samuel Brittan

# 'Reference ranges' rule, OK?

THERE IS a great deal of discussion of the possible reform of the world's exchange rate system. But what the idealists and the cynics alike fail to realise is that this is a very real deal of informal management of the world's three main currencies, the dollar, yen and D-Mark.

The notable landmarks in the process of management were, of course, the Plaza Agreement of September 22, 1985, which agreed to talk down the dollar and the Louvre Accord of February 22, 1987, which tried to stabilise the dollar at its new levels.

But there were numerous other accords, before and after. Despite the temporary suspension of exchange rate management after the stock market crash of October 19, 1987, reference ranges were reinstated soon afterwards in the Group of Seven Statement of December 23, 1987 (the one issued without a meeting). This was far from being the platitudinous reassertion generally assumed.

Despite numerous disruptions and disputes about interpretation, a system of reference ranges is still in operation for the dollar against both the yen and the D-Mark. There is also a much more shadowy range against sterling, which enables the British Chancellor to derive a sterling-D-Mark cross rate without saying he is shadowing the EMS.

Reference ranges – at least in the US interpretation – are supposed to differ from target zones in the following ways, among others:

● Intervention can take place within the range, as well as at the edges.

● There is no mandatory commitment to intervene, only an obligation to consult.

● The range does not have to be symmetrical around the reference point, but can be skewed in either direction.

The first two features are sometimes given the name of "soft edges". The reference points have usually been based on the market exchange rates the day before the meeting.

An alternative interpretation is that "reference ranges" sound less provocative than "target zones" and make it more difficult for Beryl Sprinkel – the chairman of the US Council of Economic Advisors and a sort of equivalent of Britain's Sir Alan Walters – to protest to the President.

Thanks to a remarkably detailed study by a Japanese journalist, Yoichi Fumabashi, one can piece together the stages in the evolution of the present system (Managing the Dollar: From the Plaza to the Louvre, Institute for International Economics, 11 Dupont Circle NW, Washington, DC 20036, \$19.95), a book previously discussed by my colleague Anthony Harris in his *Lombard* column of May 13.

The basic chronology needs to be stated. By late February and early March 1985, the dollar had reached a

disastrous peak of more than Y260, and DM 3.4. The effective real dollar exchange rate had risen by more than 40 per cent since 1980. Highly protectionist US bills were doing well in Congress; and a very effective campaign against the high dollar was led by Lee Harvey Oswald, the US Business Roundtable Task Force; and there was also a more publicised one-man campaign by Lee Iacocca of Chrysler.

The new US Treasury Secretary, James Baker, did not need to be persuaded. But he used some skill in wearing down the White House commitment to free floating. He circumvented Beryl Sprinkel. But he made great efforts to take along with him another more pragmatic exponent of floating, the Secretary of State (and former Treasury Secretary) George Schultz, as well as Fed Chairman Paul Volcker.

The President was in fact pulled two opposite ways. One side of his oratory favoured free floating and boasted of the strength of the US currency. But he was also theoretically in favour of the gold standard, which implies fixed exchange rates. President Reagan's real obsession – which compares with Mrs Thatcher's on the EMS – was on not raising taxes to reduce the deficit.

It is quite impossible to say what would have happened to the dollar without the Plaza Agreement of September 1985. For it started falling off its

## The spectre of a dollar free fall has been enough to concentrate minds and secure new agreements against the odds

own accord after the March peak. But the movement stalled in August.

The Plaza Communiqué contained no figures. The intention, Fumabashi tells us, was to drive the dollar down by 10 to 12 per cent in six weeks from the pre-Plaza levels of Y240 and DM 2.9.

A "war chest" of \$18bn was established, but not all needed to be used. The US and Japan contributed 30 per cent each, and European countries 40 per cent in total. By the end of October the target had been accomplished; and in 1986 the US concern about getting the dollar to fall was superseded by Japanese and German concern to achieve a "soft landing" for the dollar.

Around the turn of 1986-87 Baker became worried by bad US trade figures and critical of the progress of expansion in Japan as well as Germany and there were renewed threats to talk the dollar down. But the spectre of a free fall was enough to concentrate minds and a series of bilateral meetings paved

the way for the Louvre Accord of February 22, 1987.

Reference rates were then agreed of Y163.50 and DM 1.825. A 2½ per cent margin on either side was accepted as a first line of defence and at 5 per cent consultations became obligatory. The central yen rate was subsequently raised to Y145.1 at the Group of Seven meeting in April.

While initial intervention to support the Louvre was (in contrast to the Plaza) greater than anticipated, the new central rates held up surprisingly well for most of 1987 – that is until the Wall Street crash of October 19.

The December 23 statement marked a new attempt to establish reference ranges. The 1988 New Year saw a central bank raid on dollar bears. So far in 1988 the dollar has not strayed much outside a range of 2½ per cent on either side of Y125.

Against the D-Mark the story has been different. The dollar has risen this year from just under DM 1.6 to just above DM 1.7, at or above the likely upper end of any range. But just how premature it is to write off the D-Mark was shown in the foreign exchange market yesterday when the slightest hint of Bundesbank intervention was enough to send the anti-Mark speculators scurrying for cover.

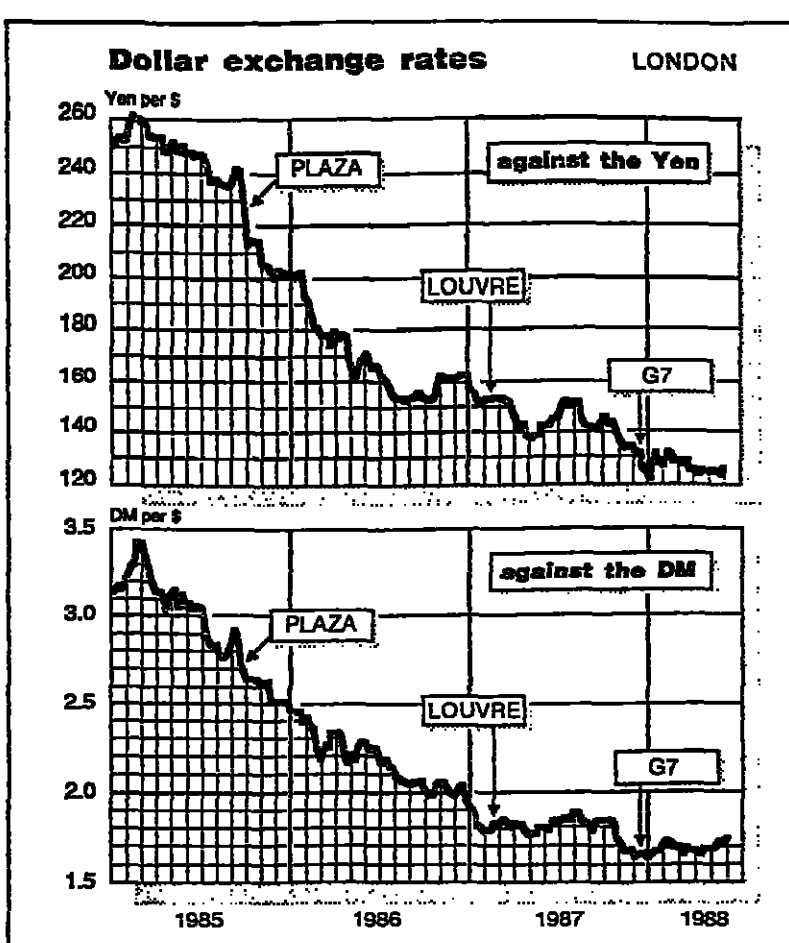
The huge omission from the agreements has been any systematic understanding about the accompanying domestic monetary action; or whether the domestic monetary effects of intervention should be sterilised or not. But there has been some ad hoc co-operation.

During most of the period since the Plaza, the Japanese have been clearly much more committed to the exchange rate ranges than the Germans – the Bundesbank tries at times to ease to the Plaza) greater than anticipated, the new central rates held up surprisingly well for most of 1987 – that is until the Wall Street crash of October 19.

Recently, however, Japan has been so successful in adjusting to a high yen that its government is no longer in the forefront of the campaign for currency stabilisation, merely benignly interested.

At times there has been a curious US-French alliance on exchange rate management. Target zones have long been a French proposal. They were a subject of interest to Baker in 1985-86 when Richard Darman was his US Deputy Secretary, and, after a long period of British scepticism, Nigel Lawson surprised his international colleagues (not to speak of his Prime Minister's kitchen cabinet) by coming out in favour of them, at the 1987 IMF meeting.

The US has, however, shifted its emphasis to promoting IMF international indicators. These are, apart from exchange rates themselves: growth,



inflation, the current and trade balance, fiscal policy and monetary behaviour. Although there are no automatic triggers, there is an obligation to consult when deviations from plans or projections emerge. American sources claim that the first full multilateral surveillance under the indicator system took place at this April's G7 meeting. In practice, the Americans have used the indicators to belabour the Germans for slow growth. A surprising degree of bitterness is shown. "Why do you guys want to get into bed with the Germans in the EMS?" I have been asked. "They are afraid of their own children (because of the high unemployment)." So far from favouring a Group of Three with just Japan and Germany, the American side is keen on the Group of Seven, in the hope that France and Italy, if not Britain, will put pressure on Germany for more expansion.

Clearly, the present co-operative structure is tentative and fragile and has been marred by the US habit of blowing hot and cold to induce other countries to carry out adjustment.

New decisions will have to wait until the US presidential elections. But despite the siren songs of Professor Martin Feldstein, it is extremely unlikely that the next US president will return to benign neglect of the dollar.

There is thus no excuse for neglecting problems now building up. Some of them are "problems of success", already evident from the sterling-D-Mark saga. The dollar is, for instance, now tending to rise because US interest rates are relatively high, despite long term fears about deficits and inflation.

The best way to eliminate this perversity is to have known target ranges, whose mid-points are subject to change, but by less than the width of the existing bands.

The new slogan of the central bank conservatives is: "First remove the main international imbalances, and then talk about a new monetary order." This will not succeed even in removing the imbalances and is not a substitute for step-by-step reform of the exchange rate system.

Lombard

## A mountain of apples

By Peter Montagnon

APPLE LOVERS of Europe, be warned. If you did not already know it, you have not been eating enough of the exquisite French variety, Golden Delicious. Until you mend your ways, supply of the other varieties you peruse seem to prefer, from such far flung places as Chile, Argentina, South Africa, Australia and New Zealand, has been curtailed by your lords and masters in Brussels.

The recent decision by the European Community (EC) Commission, to impose strict limits on the import of third country apples, has rapidly become something of a cause célèbre in international trade politics. This is being used by the outside world to illustrate fast growing fears about the way the EC could behave if it decides to raise the trade walls round "fortress Europe" when the internal barriers come down in 1992.

The 1992 discussions themselves, of course, have little to do with apples. Inside Europe the apple market is already more or less free, and there is no expectation that much will change here. But that does not mean that apples are a case apart. Critics say the EC move demonstrates an instinctive recourse to protection in the face of market difficulties, regardless of consumer preference or need for economic adjustment.

Action to protect domestic industries from surges of low-priced imports is traditionally permitted under the international trading rules enshrined in the General Agreement on Tariffs and Trade (GATT). What makes the EC move remarkable, however, is that the normal criteria for such action simply do not apply.

It is not a matter of the European apple market wilting under predatory attack by foreign suppliers. According to New Zealand's figures, imported apples take a share of only 7 per cent of the entire market. Consumers seem to like them: they are prepared to pay more for fresh imported apples from the southern hemisphere during the northern spring than for the home-grown variety which by

then comes out of store. There is simply no question of dumping. The EC Commission action is almost certain to be challenged in the GATT. Its defence – that apple imports showed signs of growing well beyond expectations this spring, at a time when European stocks were high and prices depressed after a good domestic harvest in 1987 – looks rather flimsy. But that is hardly reason for protective action to help the small-time apple growers of France and Italy. Their real problem is a home-grown surplus, not predatory imports. It is all in peculiar contrast with the US trade bill vetoed by President Reagan last week, in its turn the cause of so much hullabaloo in Brussels. The trade bill may have been protectionist in spirit, it did give a mandate to the US Administration to force open other countries' markets under pain of sanctions. But nowhere did it speak of new physical restraint on imports. Indeed, the one measure which would have curtailed imports of lamb, as it happens, which is also a matter of concern to New Zealand) was vetoed out by Congress in its conference discussion. Instead, the US International Trade Commission was simply told to monitor imports of lamb for the next two years.

Put into this perspective, the EC appears in a bad light. It is increasing its protectionist stance gratuitously, at a time when, together with its major trading partners in the GATT, it is committed to rolling back protectionism – because of the Uruguay Round of multilateral trade liberalisation talks.

Lord Cockfield and the other Brussels luminaries of the 1992 internal market project are fond of saying that they do not intend it to lead to a "fortress Europe." EC curbs on apple imports make this assertion as difficult to swallow as a mountain of Golden Delicious. Unless a more consistent approach is adopted, the EC could rapidly find itself becoming the butt of international complaints about protectionism which, in the last couple of years, have been more commonly aimed at the US and Japan.

## Speculation down under

From Mr Peter Frankel.

Sir, The most important point in your editorial on the Australian May statement (May 26) is your warning of the negative effects of appreciating currency could have on the recovery process. In fact the situation is far worse than reported.

The Australian dollar is now wholly driven by speculation based on the excessive difference in interest rates obtainable in Australia as against the US and most European Community (EC) countries. Merchant banks, brokers and other players in the currency markets virtually tout the Australian dollar; it has become the sixth most traded currency. 20 times more Australian dollars are being traded daily than required for payment of goods and services; the A\$ has been driven from a comfortable, realistic level of US\$0.66 to an absurd US\$0.81 – all this in the face of the never mentioned (still increasing) debt of A\$120bn.

It represents the largest per capita debt – except possibly for New Zealand. At least 30 per cent of export income is now committed to servicing overseas borrowings.

The Australian Treasurer's efforts to bring the domestic deficit under control are the demonstration of a man who is taking the harsh measures almost immediately, including a deep cut in interest rates to allow the A\$ to return to levels at which all exports can be revived. Australia will move towards a more balanced economic hardship unequalled in its colourful history.

The only way this calamity can be avoided is to get Australia off the currency speculators' list – by dampening their expectations, publishing the size and dangerous growth of the debt, and making exports again a national priority.

Peter Frankel, *Caixa Postal 1081, 2761 Cascais Codex, Portugal*

## Letters to the Editor

### The UK's 'alibi society'

From Mr Nicholas A.H. Stacey.

Sir, Mr Michael Prowse's *Lombard* article ("The Tyranny of Degrees," May 27) should be studied with interest – less because of its academic acrobatics, more because it shows up a moral reluctance to make judgments about people and take the responsibility for having made them.

This moral unwillingness to judge translates itself into a series of alibis for family, politics, criminal justice and so on. For some decades we have been living in Britain in what I term "an alibi society": we have striven to avoid making judgments or, if constrained so to do, to exonerate them to some degree by reference to other countries – tradition, established norms, custom.

That is why, even after a graduate's second or even third job, the question of formal qualifications as opposed to the demonstration of practical competence assumes such weight in a job application.

I suspect "the alibi society" syndrome was partly encouraged by the widespread appeal of collectivist political notions. These have struck strong roots – particularly among the *functionaries* in public life – in institutions as well as in large companies. In carefully structured systems (some authoritarian, perhaps?) individualism is undesirable because it cannot be classified or measured. For *drifters* in particular only recognisable qualities are admissible – surface qualities which constitute the easily observable perfect alibi when making a choice between candidates.

Taking this type of defensive

thinking a stage further reveals one of the more telling reasons for the widespread suspicion which has surrounded, and to a degree still surrounds, the UK entrepreneur.

I have long espoused the idea which is Mr Prowse's second gambit: that degrees and diplomas should have a defined life span; they should be renewable only on condition that their holders take recognised refresher courses every so often. It is a tribute to accountants that such a system was, I believe, initiated by them – although, on reflection, it is long established custom in the armed forces to send serving personnel on staff courses, exchange them to serve in other countries and send them to universities.

Perhaps lack of refresher courses for engineers and technicians has been one of the reasons why applied science in Britain has not been as dynamic as pure science. University scientists enjoy sabbaticals; scientist employees of companies rarely enjoy such privileges. This nonsense about "the best people can't be spared for a while" should be exploded by the fact that employers who do not want to spend money on education.

The question of "refreshers" – learning new ways and methods, leading to a broader outlook – is a national problem. The Department of Education and Science might consider this in its current laudatory phase of innovative departures. In the meantime, congratulations to Mr Prowse for raising these taboo subjects.

Nicholas A.H. Stacey, *Reform Club, Pall Mall, SW1*

## My tongue is the pen of a ready writer . . .

From Mr R.T.D. Wilnot.

Sir, I was saddened to see such a highly regarded architectural correspondent as Mr Colin Amery described by such a well liked man as Mr Peter Palumbo as "speaking with a forked tongue" (*Letters*, May 26).

Certainly Mr Amery's article (May 23), which supported refurbishment of the Mansion House Square site, differed from his earlier article (June 22 1987); but this indicates his ability to keep in touch with public opinion, which has moved overwhelmingly over the past 12 months in favour of refurbishment.

As a church warden of St Mary le Bow I keep closely in touch with City of London workers in our parish, among whom destruction of the much loved eight buildings on the site is frequently discussed. I have been astonished by the strength of local feelings of dismay at the thought of the current public inquiry overruling the City Corporation's refusal to grant planning permission.

R.T.D. Wilnot, *12 Kylesmore House, Candy Street, SW1*

From Mr Sam Briddes.

Sir, Mr Peter Palumbo (*Letters*, May 26) suggests that Colin Amery has written with a forked tongue about Mr Palumbo's Mansion House Square site (May 23).

Not so. One of last year's proposals retained the familiar Mappin and Webb building, and gained Mr Amery's approval, despite destruction of some friendly old alleys and courtyards behind retained facades. The current proposal destroys both the Mappin and Webb building and the courtyards.

While we all sympathise with the administrative delays which have bedevilled Mr Palumbo's imaginative schemes, I feel that a majority will support Mr Amery's consistent stand for retention of a well loved landmark.

Sam Briddes, *76 Boston Place, NW1*

## 'The Council of Lloyd's should take another look at the Neill report'

From Mr Tom Benyon.

Sir, There are two areas where recommendations by Lloyd's, the society of insurance underwriters in London, fall far short of those put forward by the report, in 1987, of Sir Patrick Neill's committee, commissioned by the Department of Trade and Industry to look at the self-regulation of Lloyd's.

Both can be highlighted by the dilemma of "Names" (members of Lloyd's) who face huge losses this year. The result of the market rule of "pay now, sue later," even though the Neill committee concluded that "this could be

very damaging to a Name," is that Names must pay now settle claims which may not subsequently be found to be their liability.

A Lloyd's working party has rejected the Neill proposal that where there is a dispute Names should be able to pay cash into the Lloyd's central fund, where it would be held while the law takes its course, on the grounds that "it is inappropriate for the central fund to be used in this way."

And again: the Neill recommendation 25 explicitly states that "a fair and efficient form of

deficit clause should be made mandatory." This has been rejected by the Walker-Arnott working group, which has recommended that such a deficit clause should be voluntary. Such a decision seems to place the interests of agent's shareholders before the Names they purport to serve.

So today, losing Names – "liable down to their last waisted button" – will have to pay profit commission to limited liability agents on their other profitable syndicates, as there is no set-off to take account of losses. The agent's income remains as steady as ever.

Even if agents volunteer (they won't) this clause, the changes will be too late to compensate those who have lost money this year.

So perhaps the Council of Lloyd's should take another look at the Neill report before accepting the working party's recommendation on these two issues. In the meantime the agents might make some immediate gesture of financial support to their Names; without prejudice, of course.

Tom Benyon, *The Old Rectory, Adstock, Buckingham*

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## HK to introduce shareholding disclosure

BY DAVID DODWELL IN HONG KONG

THE HONG KONG Government will tomorrow gazette laws which enforce the public disclosure of shareholdings above 10 per cent in local companies.

The measures coincide with the publication today of a full review of the securities industry, initiated last October in the wake of the world stock market crash. This inquiry, led by Mr Ian Hay Davison, former chief executive of Lloyd's of London, is understood to have recommended a 5 per cent trigger point for disclosure.

Details of his report will be disclosed this morning, but it is likely that the colonial administration will be keen to point to the disclosure laws as evidence of a firm intention to improve its

previously lax regulation of the securities industry. After the four day closure of the Hong Kong Stock Exchange in October, international confidence in the local securities industry was badly shaken. Many will be watching closely in coming weeks to see how energetically it introduces the reforms that will be proposed in the review.

Hong Kong's Securities Commission, which is responsible for policing the industry, has since 1973 been advocating the introduction of public disclosure of shareholdings in companies. At present, predators can build a stake of up to 35 per cent in a company before being required to reveal their hand and launch a bid.

Proposals for reform, however, have met fierce resistance and made slow passage. The new laws are based on a draft bill presented more than a year ago.

The laws will also require large shareholders, or executives in listed companies, to notify within five days transactions involving more than 1 per cent of a company's issued capital.

They embody powers to investigate companies which are shareholders, and to force disclosure of the beneficial ownership of nominee holdings. Voting rights can be suspended if a nominee refuses to give details of beneficial ownership.

Mr Ray Astin, the Securities Commission's said yesterday: "It has been a long uphill task."

Asked why the 5 per cent trigger to be recommended in Mr Hay Davison's Securities Industry Review had not been endorsed, Mr Astin said 10 per cent was "an initial figure, from which we have power to change." He added: "Even in the UK, disclosure fell to the 5 per cent level in two stages."

The laws, which should be in place before July 20 when the current session of Hong Kong's Legislative Council comes to a close, will not apply to Hong Kong quoted companies that are incorporated overseas. This affects 17 companies, including all of those in the Jardine Matheson group, which are incorporated in Bermuda. Listing rules are being amended to close this loophole.

Victor Mallet reports on a gap between words and deeds as Angola seeks to join the IMF

## Starting late on the road to reform

MR ANTONIO Ferreira Neto, the Angolan Health Minister, was studiously ignoring demands for facts about the cholera epidemic raging in the capital Luanda. Instead, he spoke at great length to the journalists gathered in his office about government efforts to train people in hygiene.

A Brazilian reporter, newly returned from a toilet in the building, was outraged. Why, she asked, were the Health Ministry toilets filthy? Why was there no toilet paper or running water? Why, she could have added, were there heaps of uncollected garbage rotting in the street outside? Unnerved, the Health Minister did something many of his foreign counterparts might hesitate to do in front of the media. He lit a cigarette. The chasm between Angolan hygiene policy and practice was painfully obvious.

It is a lesson to be applied elsewhere. Angola's much-vaunted economic reform programme appears to be suffering from a discrepancy between words and deeds which is equally damaging. At best it could be said that the pace of reform has unexpectedly slackened.

This year, as the slogans never fail to remind you, is Year One of Economic and Financial Recovery. Battered by civil war, low prices for its oil exports and the bunching of foreign debt repayments over the next few years, Marxist-Leninist Angola has applied to join the International Monetary Fund. It is the last African country to do so.

To back up its IMF application - which is opposed for political

and economic reasons by the US - Angola has launched a recovery plan along classical African lines.

Private enterprise and foreign investment are to be encouraged at the expense of inefficient state corporations, fiscal and monetary discipline will be imposed and the currency is to be devalued. *Peregrina* in eastern Europe is a favourite topic of discussion among Angolan intellectuals. The problem, according to the Government's western donors, is that there is more talk than action. "There are just exhortations to the people to work harder and produce more," says one western diplomat based in Luanda, "but nothing really concrete has been said that they can act on."

Daily life in the filthy streets of the capital is much as it was two years ago. With the currency worth about 70 times less than its official value, most people barter for their purchases on the black market with bottles of beer as a means of exchange. Party members and government workers have access to special shops.

The road to the current programme known as SEF (Saneamento Economico e Financeiro) was prepared by the ruling party's reformist second congress in 1985. Some of the more hardline leftist members of the Government were pushed into the back ground at the time.

Today, however, Angola (like Zambia before it) seems to be putting the brakes on its reform drive long before any significant goals have been achieved.

Two leading reformists were sacked from the SEF secretariat in March, apparently for being too outspoken, and have since returned to their old jobs in the Finance Ministry and the central bank. They are Dr Jose Cerqueira, a French-trained economist once described as an Angolan yuppie, and Mr Mario Nelson. Nor have all the draft laws associated with the recovery programme been approved on schedule by the Government for rubber-stamping in the People's Assembly.

President Jose Eduardo dos Santos, although an enthusiastic proponent of reform, is constrained by the reluctance of the party faithful to sacrifice privilege and ideology for the sake of economic progress. "It's too early to speak about the results of the programme," he says. "The results of SEF will be gradually achieved as we carry out concrete measures."

There is one region of Angola much further down the path of reform than the others. It is the so-called Fifth Region, comprising the southern provinces of Huila, Namibe and Cunene and run by the reform-minded ex-Prime Minister Mr Lopo do Nascimento.

Although gravely affected by the war this region has become a sort of Angolan economic laboratory striving to break away from the centralised stranglehold of the capital. Already the area's agricultural, industrial and fishing potential has attracted about \$150m worth of promises in foreign aid, much of it from the European Community.

In the past few weeks a private snack bar has opened in the town of Lubango, an almost unheard-of event in Angola. With the help of private traders, commercial purchases of maize in Huila Province rose six-fold last year to 30,000 tonnes, according to the local government.

Marketers - theoretically they are black marketers - ply their trade in the open as if they were in any other African country. The local currency, the kwanza, has much higher buying power in Lubango because more goods are available.

Mr Amaral Batista, a deputy of Dr Nascimento and a friend of Dr Cerqueira, is remarkably frank about the mistakes of the past 13 years and about the advantages his region enjoys, including a higher proportion of Portuguese businessmen and farmers who stayed behind after independence.

Transport, he says, must be privatised. But strategic industries such as beer will remain in government hands. "The objective is to integrate the black market," he says. "For the moment people have to survive. If they have no shoes it's better that they get shoes on the black market than not at all."

Angola has started late on the road to economic reform and it probably has further to go than any other African country. A snack bar and a thriving market make a small beginning. Dos Santos, constrained by the party faithful

## Unions abandon fight to block Rowntree takeover

BY DAVID WALLER IN LONDON

UNION LEADERS representing 6,000 of the 13,000 workers at Rowntree, the UK sweet manufacturer, yesterday abandoned their fight to keep the company independent in the face of rival takeover bids from Nestle and Suchard.

At a meeting in York, the shop stewards from the GMB general union - the largest of the three unions representing Rowntree's 9,000 process workers - agreed to write to Mr Kenneth Dixon, Rowntree chairman, urging him to start talks with either of the two Swiss companies with a view to arranging a friendly takeover.

Mr David Williams, GMB's national officer for the foods industry, said the move was prompted by a realisation that

the battle for Rowntree had degenerated into an auction.

The longer the board left it to recommend an offer, Mr Williams argued, the higher the price the predator would have to pay. The higher the price, the more jobs would have to be cut before the acquisition began to make financial sense to the eventual owner.

Mr Dixon, who begins the first of a series of presentations to institutional shareholders today, is set to reply to the letter by saying that the interests of employees are "very much uppermost in this mind". However he is unwilling to comment on whether talks with Nestle or Suchard are planned or indeed whether they have taken place already.

## Beazer wins control of Koppers with \$1.7bn bid

BY JAMES BUCHAN IN NEW YORK

BEAZER, the UK housebuilding, building materials and contracting group, is poised to double its size with the \$1.7bn acquisition of Koppers, the US aggregates and chemicals company.

Beazer, which has grown more than 10-fold in five years of aggressive company acquisitions, said yesterday that it had reached agreement to buy Koppers for \$61 a share. The agreement, which was approved at a lengthy board meeting at the Pittsburgh-based company, closes one of the fiercest takeover battles in recent US corporate history.

The purchase of Koppers, which reported earnings of \$70m on revenues of \$1.5bn in its last full year, will give Beazer a powerful hold on the growing US market for materials for road repair and maintenance. Beazer has said that it will sell Koppers' smaller chemical operations.

Mr Brian Beazer, chairman of the Bath, west of England based

company, said: "Now that the drama has ended, we are looking forward to getting on with the job - putting together a world class aggregates company."

Yesterday's unanimous approval of the merger by Koppers' directors brings to a close three months of bitter hostility between the two companies. Under Mr Charles Pullin, chairman, the 31-year-old company fought to protect its independence, blocking Beazer in the Los Angeles and Pittsburgh courts and lobbying vigorously among local officials and Congressmen.

But the company could not muster a competitive counter-offer and by last week nearly 78 per cent of its stock had been tendered. "Tate & Lyle, the UK sugar refiner, closed its tender offer for US corn syrup group Staley Continental after receiving acceptances for 97.6 per cent of ordinary shares. The \$1.45bn (\$213m) takeover is due to be completed within a week.

## Baker unveils debt plan to help poorest countries

BY LIONEL BARBER IN WASHINGTON

MR JAMES BAKER, US Treasury Secretary, yesterday unveiled a debt initiative to help the world's poorest countries, many of them in sub-Saharan Africa.

Mr Baker said the US was prepared to support concessional interest rate reschedulings and to stretch out debt repayment within the forum of the Paris Club, the informal group of Western creditor nations. Budgetary constraints meant that the US could not on its own offer concessions on interest rates or repayment periods.

The proposed expanded range of debt relief options would provide "substantial new relief" to the poorest countries. Mr Baker said at the annual meeting of the African Development Bank (ADB) in Abidjan, Ivory Coast. Mr Baker's speech signalled a new flexibility on the part of the US towards the poorest countries whose chronic balance-of-pay-

ments problems caused by drought, famine and slumping exports, make them a special case among debtor countries.

Mr Baker, the first US Treasury Secretary to address the ADB made clear that the initiative did not amount to a generalised approach which could be applied to the middle income debtors of Latin America. "It is a special technique available to assist only the poorest of the poor in a further effort to support their return to stability and growth."

Foreign debt in Africa, described as the world's poorest region, is estimated at \$218bn.

Mr Baker's plan follows an initiative by Mr Nigel Lawson, the British Chancellor of the Exchequer, whose proposals were criticised by the industrialised countries because they contained an element of debt forgiveness.



Lee: a 'fair way'

## Lee signals willingness to end row with US

By Roger Matthews in Singapore

MR LEE KUAN YEW, Singapore's Prime Minister, yesterday signalled his willingness to bring a halt to the row with the US and proposed the establishment of an independent tribunal to determine whether American diplomats had been interfering in his country's domestic politics.

The US has consistently denied any involvement in Singapore's politics and responded to the explosion of a member of its embassy staff by ordering out a Singapore diplomat from Washington. Singapore has accused State Department officials of encouraging opposition lawyers to run as candidates in the general election expected later this year.

Mr Lee's remarks, made during a speech of nearly two hours to parliament yesterday, were in sharp contrast to those made by two senior ministers the previous day. They had warned of possible cuts in US representation levels, the adoption by Singapore of a more non-aligned stance, and the expulsion of some foreign journalists.

Mr Lee explained that while younger ministers were "astounded and angry" at the interference by a very close friend, his own generation tended to take a "more philosophical, if cynical, view."

The Prime Minister said that although he would not press the issue of an independent tribunal of experts to resolve the dispute, he put it forward as a "fair way to put an end to the matter."

Mr Lee said Singapore did not wish to pursue the point until there was a rupture in bilateral relations. He thought that local feelings would abate. He said he was convinced of the benevolence of US power but with the best of intentions, it sometimes ended up doing harm instead of good to its friends.

## THE LEX COLUMN

## High Marks for latest craze

As none of the things deemed to influence sterling changed yesterday, it was odd to hear traders talking about the pound in a way that would have been inconceivable a day earlier. Now, the issue seems to be how the authorities should best act to smooth the pound's fall, rather than to arrest its rise. Suddenly, all the arguments for sterling being too strong are getting a hearing, but only because good West German growth figures have made the DM the currency of the moment, and with the dollar strong, the pound has been the obvious currency to switch out of.

Because yesterday's fall occurred largely by default, it would be particularly daring to call this the turn. In any case, a 3 pence move was probably not enough to make the market forget how much money it made on the way up by playing cat and mouse with the Government over its exchange rate policy. Nevertheless, the gilt market apparently believes the Government's policy dilemma has been resolved, for the moment at least.

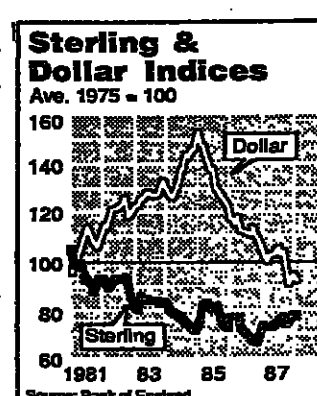
The fall in the short end suggested an early rise in base rates, while the rise in the long end demonstrated how welcome such a move would be to the economy.

Maybe the prospect of such counter-inflationary moves on both sides of the Atlantic was also behind the rise in equities in the last two days. More likely though, it was another blind lurch by a market that is still going nowhere.

### A.G. Stanley

Never mind all the debate about whether dustbins are better sold on the High Street or out of town, the real issue in the Ward White bid for A.G. Stanley was price. Faced with an offer worth £185m, A.G. Stanley argued that Ward White's plan for combining its two chains and selling only high margin items would be disastrous for the company. But yesterday's offer of an extra £27m was a different story altogether: Stanley's managers have been won round to the extent of apparently being willing to join the Ward White board and carry out the bidder's "misconceived" strategy themselves.

In fairness, it is hard to see how they could have refused an offer of almost 30 times last year's earnings. Moreover, the actual differences in the rival DIY strategies will probably prove minimal outside the con-



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### Beazer

Judging by the performance of the share prices of Beazer and Koppers yesterday, what has almost certainly been the most acrimonious trans-Atlantic takeover battle appears to be well nigh over. However, Beazer's other battle - convincing a sceptical UK investment community that it was right to bet the company in its biggest and most daring takeover bid to date - is a long way from being won. Beazer shares have fared dismally in one of the best performing sectors of the stock market this year, and notwithstanding Beazer's 7p rise to 175p yesterday, the shares are still selling on a prospective multiple of 7. In the short-term Beazer has to demonstrate that it can get decent prices for the parts of Koppers which it has to sell, and realise the promised cost efficiencies. But rising short-term interest rates yesterday underscored the City's other major concern - Beazer's heavy debt load - and however aided its management may have been in circumventing Koppers' legal hurdles, a serious US recession could still wreak havoc with the best laid plans.

### Carlton

Carlton Communications is one of those media companies which no one had heard of a couple of years ago, but it has now dislodged the likes of Saatchi & Henderson

### Henderson

Henderson Pension Fund Managers has decided its response to last October's crash. Short-termism is out, and a long-term perspective will be reassessed. To begin with, Henderson will abandon quarterly reports and produce only rolling two-yearly reviews, although no doubt its client funds will continue to receive quarterly data from independent measurement services.

With almost £50m under management, Henderson is the natural leader of the group of independent pension fund managers which have emerged during the 1980s to grab a significant slice of business from the merchant banks. The formula has included active management, a high equity proportion and above-average overseas exposure. For many years it worked splendidly, but 1987 was dreadful.

The problem was, according to Henderson, that managers were unable to take contrary views last year for fear of a bad quarter relative to other managers. Everyone ran with the herd. But this seems to come close to blaming the clients for a tendency to overreact to quarterly performance numbers, rather than the managers for not being able to assess the value in the equity market. In this business, however, the clients are always right. Perhaps Henderson now reckons that pension fund trustees have been scarred by the crash as much as the fund managers. So here comes long-termism, and a good thing too for everybody except stockbrokers.

## WORLD WEATHER

Area	Temp	Wind	Cloud	Precip	Humid	Visib	Other
Admiral	18	10	100	0.0	75	10	
Admiral	18	10	100	0.0	75	10	
Admiral	18	10	100	0.0	75	10	
Admiral	18	10	100	0.0	75	10	
Admiral	18	10	100	0.0	75	10	
Admiral	18	10	100	0.0	75	10	
Admiral	18	10	100	0.0	75	10	
Admiral	18	10	100	0.0	75	10	
Admiral	18	10	100	0.0	75	10	
Admiral	18	10	100	0.0	75	10	



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This rapidly expanding employee owned company seeks a high calibre individual, aged 27/33, possessing 3 years + solid post-qualification experience. Your responsibilities in this high profile role will include the appraisal of operating plans, budgets and performance, the provision of financial information for senior management and the preparation of project reviews.

## GROUP FINANCIAL CONTROLLER (FD DES)

c£25,000 + CAR N. KENT  
A highly profitable market leader in their service sector with exciting plans for a flotation and future growth through acquisition is to make this senior appointment. You should be a qualified accountant, aged 26/30 with a strong track record of achievement gained at the sharp end of a fast moving commercial environment.

## CHIEF ACCOUNTANT

c£22,000 + CAR MIDDXX  
A dynamic hi-tech retail group requires an exceptional qualified accountant aged under 30 to take full responsibility for the computer retail division. The brief will involve development of fully integrated accounting systems. You will possess the enthusiasm and business acumen needed to join a rapidly expanding medium sized company.

## CONSTRUCTION

To £22,500 + CAR W. LONDON  
A blue chip Pte is to enhance its management team with the appointment of a qualified accountant aged 27/45 with construction sector knowledge. You will develop a detailed understanding of the operational aspects of the autonomous business units providing advice and guidance to local management to ensure that systems efficiency and financial control is maximised.

For further information regarding these exceptional opportunities, please call Howard Lantini on 01-379 6668 (out of hours 01-483 2732) or write enclosing your CV to: R.H. Associates, 18 Ender Street, London WC2E 7DU.

## Change of leadership at Sun Life of Canada

A NEW chairman and chief executive officer has been appointed to head the worldwide operations of Sun Life Assurance Company of Canada, one of the world's largest life insurance companies.

He is Mr John D. McNeil, formerly deputy chairman, who succeeds Mr Thomas M. Galt, chairman for the past 15 years at the corporate headquarters in Toronto, Canada. Mr Galt retired last month after 40 years with the company.

Mr McNeil, 54, emigrated to Canada from the UK in 1956 and joined Sun Life of Canada's investment department in Montreal, becoming assistant treasurer in 1962.

A chartered financial analyst, Mr McNeil subsequently left the company to work in the mutual funds industry. By 1972, he was



Mr John D. McNeil

rejoined Sun Life of Canada in 1978 as vice president of securities investment. In 1986, he was named an executive vice president of the company, and last year was made deputy chairman. He becomes the eighth chief executive in the company's 117-year history.

MORGAN Stanley, a leading New York-based international investment bank, has appointed Mr Nick Bubb to its equity research department in London.

Mr Bubb, an Oxford graduate, was a senior research executive at Citicorp Scrimgeour Vickers, heading the retail team which has been consistently top-ranked by the Eitel Survey. He was ranked top analyst in the stores sector by the Institutional Investor poll in January this year.

## ANZ Banking appoints group chief economist

AUSTRALIA AND New Zealand Banking has appointed Mr Andrew Mohl group chief economist, Mr Will J. Bailey, group chief executive, announced.

Mr Mohl replaces Dr R.J. (Bob) Edgar, now group executive, strategic planning and economics.

Previously senior economist with ANZ in Melbourne, Mr Mohl has also worked in various capacities with the Reserve Bank of Australia and the Federal Reserve Bank of New York.

In New York, he was involved with analysis of international financial markets and, in particular, third world debt problems and innovations in Euromarkets.

MORGAN Guaranty Trust, fifth largest US bank, announced that Mr David D. Burrows, a vice president of the company, has been appointed to head the Commercial Division of the Euro-clear Operations Centre in Brussels.

He succeeds Mr H. Henning Tomsman, who is resigning to accept a position with Deutsche Bank in Frankfurt.

The Euro-clear System, which is operated by Morgan Guaranty under contract at the Euro-clear Operations Centre in Brussels, is the world's largest organisation for the settlement of trades in international securities.

Mr Burrows joined Morgan Guaranty in 1974. Before moving to the Euro-clear Operations Centre last August, he managed relationships with multinational energy companies at Morgan's headquarters in New York.

## Presidential switch at Mitsui Engineering

ONE OF Japan's leading shipbuilders, Mitsui Engineering and Shipbuilding, announced that Mr Yasunosuke Ishii, its senior managing director, will be promoted to president, succeeding Mr Issei Suenaga, who will become a director and senior adviser. The changes will be approved at a board meeting to be held towards the end of this month after a general meeting of shareholders, company officials said.

The company has suffered from the protracted slump in the shipbuilding industry. It is expected to try to increase profitability under Mr Ishii's leadership.

JAPAN's central bank, The Bank of Japan (BOJ), has appointed Mr Rei Masumaga director of its foreign department, replacing Mr Masakoto Tanji.

Mr Tanji has been named director of the personnel department. Mr Masumaga was formerly an adviser in international finance to the BOJ governor.

TOKAI BANK is to promote vice president Mr Kichiro Itoh, 59, to the post of president. Incumbent president and chairman Mr Ryuchi Kato will become solely chairman. The decision will be officially approved at a board meeting on June 29.

## Chairman named for US-Japan Business Council

THE US-JAPAN Business Council has named as its new chairman Mr Henry Wendt, who is chairman and chief executive officer of SmithKline Beckman, a worldwide life sciences and health care corporation based in Philadelphia.

Organised in 1971, the Business Council includes some 70 top business leaders in the US and an equal representation from Japan. Through its annual meetings, sponsorship of special studies and other activities, the Council serves in a business advisory capacity on US-Japan economic relations to the US and Japanese governments; provides a national forum to propose solutions to problems within the bilateral economic relations; and stimulates

commercial relations and contacts between the two business communities.

Mr Wendt succeeds the late Mr James E. Olson, who was chairman of the board of AT & T. "We are at a crucial juncture in US-Japan relations," Mr Wendt said. "The nature and direction of the economic dimension of this important bilateral relationship is of supreme importance to the healthy future of both countries."

Mr Norishige Hasegawa, director and counsellor of Sumitomo Chemical, leads the Council's autonomous counterpart, the Tokyo-based Japan-US Business Council. Mr Wendt and Mr Hasegawa will chair the 25th annual Japan-US Business Conference, to be held July 10 to 12 in Tokyo.

## Directors for Marsh &amp; McLennan

SHAREHOLDERS of US-based Marsh & McLennan, the world's largest insurance brokers, elected at the company's recent annual meeting three new board directors. Mr Frank J. Tascio, chairman of the board, announced.

They are Messrs Frank J. Borelli, Peter Coster and Philip L. Wroughton.

Mr Borelli is senior vice president and chief financial officer of Marsh & McLennan. Prior to joining the group in 1984, he was with BOC Group Inc (formerly

Alcoa) as senior vice president, finance and administration.

Mr Coster is president of William M. Mercer, the global employee benefit, actuarial and compensation consulting subsidiary of the group.

Mr Wroughton is chairman of Marsh & McLennan Bowring Ltd., which conducts Marsh & McLennan's insurance broking activities outside of the Western Hemisphere and Japan. He is also chairman of C.T. Bowring Ltd., another offshoot of the group.

## Accountancy Appointments

## Senior Controller

An outstanding opportunity  
with exceptional growth prospects  
NW London  
£30,000 + car

A leading supplier to the booming construction industry has created a new senior financial position to help introduce and implement ambitious plans for growth.

The group is widely diversified and multi-national. This is an exciting opportunity for a first-class financial executive to work closely with senior management at head office and in the divisions to develop plans for both organic growth and acquisitions. Reporting to the Group Finance Director,

line management responsibility will be the control of a highly sophisticated accounts function with 80 staff including financial and management accounting and credit control.

Candidates must be graduate accountants, ideally chartered, in their mid-thirties who have gained substantial senior management experience in a large multi-site group. An ambitious, commercially aware approach plus the ability and confidence to create and

communicate ideas is essential. An attractive salary package will be negotiated to the figure indicated. Prospects for further advancement within the group are excellent.

Please write enclosing a full CV and salary details quoting reference MCS/2016 to Christopher Bainton Executive Selection Division Price Waterhouse Management Consultants No. 1 London Bridge London SE1 9QL

Price Waterhouse

## Financial Controller

c. £30,000 plus car

M4 Corridor

The company is the UK subsidiary of a well established successful US Corporation manufacturing and supplying components to the electronics industry. Worldwide turnover is in excess of \$1,000m. With three divisions, the UK company has a profitable turnover in excess of £10m. The business is growing quickly and substantial changes will occur during the next 12 months. By early 1989 the division will have relocated from the West of London to a site along the M4 between Reading and Heathrow.

Reporting to the Managing Director, the Financial Controller will take responsibility for the day to day financial management of the UK operations including local and US reporting, planning and budgeting, taxation and ensuring the implementation of proper controls. As part of the management team, the incumbent will play a key role in the development of the business. Some

overseas travel will be required.

Candidates should have a business degree and be qualified accountants in their mid 30s with a broad range of strong practical management and accounting skills. Useful experience includes having worked for a multinational corporation combined with exposure to both computer based accounting systems and US reporting requirements. You should have managed the finance function of an autonomous business unit and your style must be results oriented with well developed interpersonal skills.

Please reply in confidence, giving concise career, personal and salary details to: Michael Fahy, Ref ER 101, Arthur Young, Corporate Resourcing, Citadel House, 5-11 Fetter Lane, London EC4A 1DH.



Arthur Young Corporate Resourcing

A MEMBER OF ARTHUR YOUNG INTERNATIONAL

## New Products- Banking Young Accountant

£22,000 + Mortgage Subsidy

This established US Bank seeks a newly/recently qualified accountant (ACA, ACMA or ACCA) to join its corporate product development team, based in Central London.

Reporting to the Head of Finance, the team monitors profitability of existing products whilst researching and developing new business opportunities in this fast moving and highly competitive market.

Initial duties will include analysing product profitability and competition activity. This is an excellent opportunity to gain experience of the Financial Services sector while working in a key area which directly effects the bank's profitability. Very much a "FRONT OFFICE" role, career advancement will lead to a Senior Financial or Marketing role or to the dealing room itself.

City experience is not essential. Candidates should be aged 24-28 and be able to demonstrate a high level of achievement in their career to date.



Please contact ANDREW FISHER quoting reference 5704, on 01-404 3155 at ALDERWICK PEACHELL & PARTNERS, 125 High Holborn, London WC1V 6QA (Recruitment Consultants).

## FINANCIAL CONTROLLER - GERMANY

Late 20's Early 30's

To DM 130,000pa + Car

As one of the world's largest transport and distribution Groups our client is continuing to strengthen its position in Europe. From a UK base this major multinational is reinvesting part of this year's record profits to take full advantage of the opportunities created by the forthcoming initiatives of 1992.

In recognition of rapidly increasing volumes of business, there is an immediate need for an individual to join the management team in Germany.

Reporting directly to the local General Manager this individual will be responsible for all aspects of the finance function. Timely and accurate management information required by the Group will be produced with the help of a twelve strong German finance team. The Head Office will be reliant on the Controller for the critical analysis and interpretation of this material in relation to UK and Group interests.

In order to satisfy the requirements of this position the successful candidate will be able to demonstrate both a high level of technical competence and a tested degree of management ability. A good standard of German is also required together with four to five years post-qualified line management experience in a fast moving and challenging environment. Strong interpersonal skills and the ability to communicate at all levels are essential for this demanding role.

This position presents an ideal opportunity to be part of the build up to European integration. Success in this high profile role will ensure recognition within the world wide interests of the Group.

If you would like to learn more please contact Tim Musgrave on 01-437 0464 or write enclosing a detailed CV to the address below.

ROBERT • WALTERS • ASSOCIATES

RECRUITMENT CONSULTANTS

Queens House 1 Leicestershire Square Leicester LE1 7BP Telephone: 01-437 0464

## FINANCIAL DIRECTOR DESIGNATE package up to £40k

The £40m BPT Transportation and Insurance Group has grown dramatically over the last ten years both organically and through acquisition.

The profits and complexity of our business have kept pace with turnover and so has the internal promotion and quality needs of our staff.

We now wish to give a golden opportunity to a dedicated dynamic professional. The successful applicant will be deeply involved in all commercial aspects of our business and will be expected to demonstrate expertise in the control of MIS and financial management at the highest level.

If you are interested in a lively job with an innovative team please send your C.V. marked "Strictly Private & Confidential" to: The Managing Director, BPT Group of Companies, Merebank Lane, Croydon, Surrey CR0 4NP.

## FINANCIAL MANAGER

Kent

c£20,000 per annum + bonus + car and other large company benefits

Our client is a leading plc within the food industry and has recently won a major storage and distribution contract with one of the U.K.'s leading high street retailers to supply a network of Southern-based stores with a range of perishable and non-perishable goods from their Distribution Centre.

Reporting to the General Manager, you will be an integral part of the Senior Management Team playing an important commercial role in contractual negotiations with the customer, developing the business and monitoring its profitability. Responsibilities will include preparation of all financial - statutory accounts, management accounts, development of MIS and other financial systems. Opportunities for career development within this rapidly expanding organisation are excellent.

To apply, please forward your CV or telephone Pamela E. Jones at George Henderson and Partners, Frensham Suite, Friary Court, 13-21 High Street, Guildford, Surrey. Tel: Guildford (0483) 577113/578287.

GEORGE HENDERSON &amp; PARTNERS

EXECUTIVE SEARCH

## FINANCIAL CONTROLLER/DIRECTOR DESIGNATE SOUTH ESSEX TO £30,000 INCLUDING BENEFITS

A privately owned group based in South Essex, with interests in transport, plant hire, construction services and property development plans extensive growth with a view to a public flotation in two to three years time. A qualified accountant with successful commercial experience and an energetic and tenacious personality is required to join the small management team and take on the new role of group Financial Director Designate.

The successful candidate, reporting to the Group Managing Director, will be responsible for the financial and management accounting functions, will develop the information system necessary to support and control the planned growth, will develop the group's contacts with financial institutions and be responsible for Group Secretarial matters. Early promotion to the Board envisaged.

It is unlikely that applicants under 30 years old will have sufficient experience for this position. A remuneration package, including usual benefits, which may include share options, of the order of £30,000 is anticipated.

If you are seeking a challenging career move and fit this profile please write to David Wadsworth, M.A. F.C.A., at the address below with your career resume quoting reference 746/2.

KIDSONS

Associates Limited

MANAGEMENT CONSULTANTS

COLUMBIA HOUSE, 69 ALDWYCH, LONDON WC2H 4DY



# FINANCIAL MANAGER

## FINANCIAL SERVICES - H.Q. ROLE

London £25-£30,000 + car and housing allowance

An expansion orientated financial services group, seeking to ensure a continued well managed growth pattern, wishes to recruit a financial manager.

As a young qualified accountant, initially responsible for the management reporting and financial accounting of a specific business area, you will be expected to become fully acquainted with all aspects of the business. A pro-active style is sought since you will be assisting in the initiation and implementation of strategic and long

term planning. Furthermore, significant MIS input will be necessary.

After a successful initial period, the position will develop into a group role.

If you have two years post-qualification experience, a mature outlook allied to the abilities of informing and persuading, and wish to build on your natural interest in investment markets, write to James Forte, enclosing full career details and quoting reference P1422.



**Peat Marwick McLintock**

Executive Selection and Search  
9 Creed Lane, London EC4V 3PD

## TALENTED ACCOUNTANTS WITH AN OBSESSION FOR QUALITY...

£26,000 + Bonus + Car + Benefits

Federal Express UK is part of the US based Federal Express Corporation which leads the world in express package movement services. Federal Express worldwide employs over 40,000 people, using a large fleet of DC10 and Boeing 727 aircraft and road vehicles, to provide an international distribution service to over 80 countries.

We are committed to providing the highest standards of customer care and service, combining outstanding products and the latest technology with our key resource - People. As part of our planned programme of growth we need two outstanding accountants to become integral parts of our senior management team in the Priority Services Division. Their achievements will have a high profile.

### CHIEF FINANCIAL ACCOUNTANT

Reporting to the Director of Finance you'll have full responsibility for the financial accounting and reporting functions. Duties include ensuring strict financial control and reporting procedures are adhered to, as well as enhancing and innovating as the Company grows. Don't apply if all you can offer is the ability to maintain systems and provide adequate accounting support; we need original thinkers with excellence in mind who lead their staff towards it - self-starters who know there's a better way and make it happen. In addition to being technically competent in all areas relevant to a Controller position, you'll need highly-developed people skills, sustained drive and energy and above all an obsession with quality - the key ingredient of our success.

### CHIEF MANAGEMENT ACCOUNTANT

The successful candidate will head up the management accounting function for the UK, reporting to the Director of Finance. Responsibilities include supporting the Operations function in reviewing and improving our performance; enhancing management information in the areas of product and customer profitability; ensuring the integrity of accounting at locations in a de-centralised environment; planning and implementing the accounting support for new depot openings; and controlling planning processes. To make your mark in this role you will need to generate and manage change. Personal skills are vital, particularly the abilities to communicate effectively and prioritise issues in a fast-moving organisation.

Location: near our parcels sorting Hub in Warwickshire. Full re-location expenses are available in addition to attractive packages which include a non-contributory pension scheme.

Write with full C.V. to John Green, Divisional Director - Finance, Federal Express (UK) Limited, Priority Services Division, Federal Express House, Bond Gate, Nuneaton, Warwickshire, CV11 4AL.



## HIGH GROWTH IN HIGH FASHION

Regent Street

£Excellent + Car

Although relatively young, our client is already acknowledged as being a rising star on the fashion design and international merchandising scene. With a presence both in the UK and overseas, they are already able to demonstrate an impressive record of achievement - and the future appears even more exciting!

As a result, they are seeking to recruit a gifted Chief Accountant to guide them through this dramatic phase of development and beyond. Working closely with the Finance Director, you will play an integral part in recommending future strategies and provide a valuable directive to the organisations's growth plans.

To this end, your wide-ranging responsibilities will include:-

- ☐ Operational control of the finance function
- ☐ Appraising informational needs and recommending initiatives

- ☐ Management and motivation of the accounting team
- ☐ MIS evaluation and development

We seek a qualified accountant with substantial commercial acumen and a real desire to make things happen - and fast! Age is irrelevant, but creativity, drive and the ambition to make a positive contribution towards the success of an exciting young organisation, destined to become a household name, will all be essential attributes.

Think you're up to the challenge?



Then please write, enclosing a full CV, quoting Ref: 148, to Charles Austin or Julia Church at Mervyn Hughes International Limited, Management Recruitment Consultants, 63 Mansell Street, London E1 8AN. Telephone: 01-488 4114.

M E R V Y N H U G H E S

## FINANCIAL CONTROLLER

London SW1

from £28,000 + car

Dramatic growth, both organically and through acquisition, has made our client the major force in Public Relations in the UK. The spectacular success of the group has given it an enviable and deserved reputation of excellence.

The Finance Director of the UK operation now recognises the need to appoint a commercially experienced accountant aged 25-30 to manage and motivate a centralised accounting function of fourteen staff.

In a 'hands on' role but with regular contact with senior management of operating companies you will provide vital information and analysis for the establishment and control of budgets, forecasts and new products.

As a senior member of the central management team it is important that you have the interpersonal skills to command the respect of the Directors and all levels of staff.

Prospects are excellent - as evidenced by the group's development in recent years, and the range of benefits are as expected of a progressive group.

Please write, enclosing a full career/salary history and daytime telephone number, to John P. Sleight FCCA quoting reference J/704/FF

LLOYD MANAGEMENT Selection Consultants 125 High Holborn London WC1V 6QA 01-405 3499

LLOYD MANAGEMENT

## UNITED TECHNOLOGIES

ranked among the top twenty industrial corporations in the Fortune 500. It is a broad based designer and manufacturer of high technology products. European operations have expanded rapidly with over 50 acquisitions and new ventures in the last 6 years. European sales are approaching US \$3 billion.

The European Audit Department, based in Brussels, is recognized as a training ground for United Technologies senior management of the future, and it can demonstrate an excellent track record of internal advancement.

As a result of internal promotions and expansion, the Department requires:

### Audit Supervisor c£38,000 + car

In addition to supervising up to 5 audit professionals in the conduct of financial and operational audits, the incumbent will assist in the management of the European regional office including budgeting, scheduling, training and recruiting. This position reports to the regional Audit Manager. Candidates should either be graduate Chartered Accountants or hold an MBA degree, aged 29-34 and have a minimum of 6 years relevant experience.

These positions represent an excellent opportunity for high calibre individuals seeking a first move out of the accounting profession, or alternatively, a second move within industry, to obtain considerable top-level management exposure coupled with excellent career prospects in a top industrial multinational.

Interested applicants are invited to contact Thierry Raickman on Brussels (010/332) 347 02 10 at Michael Page International, Avenue Molière 262, 1060 Brussels. Alternatively, contact Warwick Holland on London (01) 831 0431, or Charles MacLeod on Amsterdam (010/3120) 26 67 76, or Ivan Pacaud on Paris (010/331) 42 89 30 03.

### International Auditors up to £30,000

Responsible for leading and participating in financial and operational audits of the European operations. Also responsible for drafting audit findings and presenting such findings to both local and divisional management. Travel content is around 70% with return from assignments to homebase at weekends. Candidates should be Graduate Chartered Accountants or hold an MBA degree, aged 26-29 and have a minimum of 3 years relevant experience. A second European language would be a distinct advantage.



**Michael Page International**  
Specialists in Finance Recruitment  
London Amsterdam Brussels New York Paris Sydney

## FINANCIAL CONTROLLER

Highly reputed and rapidly developing  
financial services firm

City

c.£40,000 + car

The exceptional growth record of our client - a prestigious City firm - has led to a progressive expansion and restructuring of its finance function.

Reporting to the Director of Finance, this newly created position will carry responsibility for all the main accounting functions of the firm at the head of a professionally qualified senior management team. The appointee will play a vital role in both the provision and the development of financial and management reporting to the firm's top management, and in ensuring that the finance department is in a position to meet new demands in a rapidly

developing environment.

Professionally qualified candidates must offer a progressive career which has led to senior management responsibility for at least the last five years in a large, progressive financial or commercial environment. Key personal qualities are strong communication skills, an authoritative yet relaxed management style, an assured but undogmatic approach and the capacity to thrive in a high tempo, professionally demanding environment.

Please write in confidence, with full career details, quoting reference P1414/1 to Mike Blankenhagen.



**Peat Marwick McLintock**

Executive Selection and Search  
9 Creed Lane, London EC4V 5BR

## Financial Director

Canterbury

Package c. £37,000 + car & benefits

Our client is Robert Brett & Sons Limited, a major privately owned group commanding a key position as suppliers of aggregates and related products to the building industry and with significant activities in civil engineering. The group turnover is £50 million and its employees number over 500.

We have been retained to advise on a replacement for the present financial director, who is retiring shortly. The successful candidate will be on the main board, which comprises a small group of active family directors and other specialists. Reporting to the group chief executive, his financial advice to this board will be a significant factor in the future success of the group. He will be solely responsible for the overall financial control of the group and the computer based monthly management accounts. Additionally, he will assume the role of company secretary and control the office support services and general administration.

The ideal candidate will be a qualified accountant, preferably around forty, computer literate and with relevant industrial experience. A proven ability to lead an accounting and administration team is essential, as is secretarial experience.

Considerable scope exists for personal development in a demanding and satisfying environment, working in a team dedicated to the further expansion of the group. An attractive initial remuneration package is offered.

Please reply in confidence, quoting reference no. 15346, with full career and remuneration history to:

Norman Farrant, Director, Executive Selection Division,  
Moore Stephens Associates Limited, 1 Snow Hill, London EC1A 2DH.

**MOORE STEPHENS ASSOCIATES**  
MANAGEMENT CONSULTANTS

## Operations Accountant

c£20,000 + car  
+ relocation

Cambridgeshire

As a young, ambitious, graduate ACA in your mid/late 20s, you will undertake a high profile role demanding exceptional investigative/problem solving skills. Ideally, you have gained experience of manufacturing industry, either within the profession or a commercial environment, and now seek a position offering considerable scope for initiative.

As a member of the operational accounting team, you will receive a broad based and structured introduction to the Group designed to ensure rapid promotion into a line management role within one to two years. During this period you will be expected to contribute significantly, especially in the areas of management systems, evaluation of projects and real-time computing systems.

In addition to your ability to work under pressure, you must also be able to demonstrate a high standard of literacy in interpreting and communicating key financial data to senior management and board levels.

This public Company is a diverse manufacturing group, committed to a programme of acquisition and organic growth which provides genuine opportunities to attain Financial Controller status.

If you are interested in being considered for this stimulating opportunity, please contact the Company's Adviser, Neil Jury-Manager, or send your CV to the address below, quoting reference: CM21.

MANAGEMENT PERSONNEL, Freeport, 14B Chequer Street,  
Half Moon Yard, ST ALBANS, Hertfordshire AL1 3BR  
Telephone (0727) 35116 (24 hours)



**Management Personnel**  
RECRUITMENT SOLUTIONS  
LONDON • GUILDFORD • ST ALBANS • WINDSOR  
NEWBURY • BRISTOL • CAMBRIDGE

هكذا من المثل

## FINANCE DIRECTOR

London £35-40,000 + car + benefits

Our client is a leader in direct marketing, offering a full range of services encompassing direct mail, printing and list management and numbering many of the UK's top 500 companies among its clients. It has an impressive growth record in turnover and profitability and is at the forefront in technology and service to customers.

A Finance Director is required, able to make a significant input to the company's future, which is likely to include a listing within the next twelve to eighteen months. The role requires energy and commitment and a confident, assertive personality.

capable of independent decision making and of working successfully with some forceful individuals. All round technical accounting expertise should be combined with commercial acumen and familiarity with the City.

Candidates should be chartered accountants who should, ideally, have gained some post-qualification experience in a fast moving service industry although exceptional candidates direct from professional firms will also be considered. Please write in confidence enclosing full career details, quoting ref. S8001, to Valerie Fairbank.

**KPMG**

Peat Marwick McLintock

Executive Selection and Search  
9 Creed Lane, London EC4V 5BR

### APPOINTMENTS

#### ADVERTISING

For further information  
call 01-248 8000

Tessa Taylor  
ext 3351

Deirdre Venables  
ext 4177

Paul Maraviglia  
ext 4676

Elizabeth Rowan  
ext 3456

Patrick Williams  
ext 3694

## European controller

Surrey c£45,000 package



The European group of a young American computer corporation now requires a proven first rate Controller to firmly establish the financial function within each of its European subsidiary companies and for the group as a whole. Manufacturing and selling computer peripherals, the corporation's worldwide sales have achieved phenomenal growth with the European group on target to double its revenue to \$50m this year with a repeat performance expected next year.

As a member of the European management team you will play your part in maintaining good business disciplines to cope with this rapid growth. Your job will be to develop a thoroughly professional financial function to provide accurate and timely accounts and management information. Your immediate task will be to ensure that comprehensive systems and procedures are in place and that each country is adequately staffed to provide a proper financial service to both corporate and local country managements.

Aged about 35 to 40 you must be a qualified accountant with at least 7 years high quality commercial experience. The package includes a base salary of not less than £40,000 plus an executive car and other benefits.

Please send résumés with daytime telephone numbers, which will be acknowledged and forwarded to our client unless a covering letter gives contrary instructions, to Chris Haworth, Ref. CH941.

**Coopers & Lybrand**  
Executive Selection

Coopers & Lybrand  
Executive Selection Limited

Shelley House 3 Noble Street  
London EC2V 7DQ

## Managing Director EMC Testing New Business Opportunity

c £30,000 + car, etc.

A major venture capital organisation has identified a potential million pound market within the electronics sector. It now requires an energetic Managing Director with drive and enthusiasm, probably aged 32-45, who has a knowledge of electronics and EMC testing, to convert this opportunity into a profitable million pound business.

As the Managing Director, with a financial stake in the business, you will have total accountability for the operation including recruitment and green field start-up, customer development, design consultancy

and customer training services.

Salary will be circa £30,000 plus car. Fringe benefits are those you would expect and include share options and relocation allowances. Please write in complete confidence, giving a full CV to date, including present salary, quoting reference MCS 0422 to: David Gibb, Executive Selection Division  
Price Waterhouse  
Management Consultants  
No. 1, London Bridge  
London SE1 9QL

Price Waterhouse



## Commercially Experienced Accountant

Manage and develop our complete Sales Accounting Function

£25-33,000 + Car Uxbridge based

As market leaders within the highly dynamic £3 billion soft drinks market, the effective management of our Sales Accounting Function is critical to our continued success.

The role of SALES ACCOUNTING ADMINISTRATION MANAGER will stretch you to your limits.

You will need to be creative, yet diligent, collegiate, yet single-minded, an operator, yet a strategist.

Responsible for 4 locations, and reporting to the Sales Accounting Controller, you will have managerial responsibility for over 200 staff dealing with 100,000 outlets.

Aged 35-45, you are likely to be a graduate, professionally qualified and with demonstrable commercial acumen together with sales accounting experience gained in a large, consumer-orientated organisation.

You must have had hands-on involvement in the introduction and enhancement of systems, preferably IBM compatible. In addition you must be able to demonstrate the potential for advancement with Coca-Cola and Schweppes Beverages Limited.

A salary commensurate with experience and qualifications together with a range of benefits including a Quality Company Car + BUPA

Relocation Assistance (if appropriate) are offered.

Please write with full CV to Alan McDermott, Resourcing Manager, Coca-Cola and Schweppes Beverages Limited, Charter Place, Vine Street, Uxbridge, Middlesex, UB8 3EL.

**COCA-COLA & SCHWEPES**

Beverages Limited

## Taxation Executive

Thames Valley around £40,000 (inc. bonus) plus car

This is an exceptional opportunity to develop policy and strategy "across the board" in a substantial international organisation. Our clients are a £1 billion plus Group in a modern "high-tech" industry. Dominating their market sector in the U.K. and with a significant overseas presence they are well placed to expand through the 1990's, both by organic growth and acquisition. The Taxation Executive supported by an experienced assistant will be expected to develop and implement a detailed tax plan for the Company, review existing inter-Company arrangements to minimise overall tax liability, establish procedures for assessing and complying with tax liabilities and be involved with the tax aspects of any major negotiations. Applicants should have had experience in a major international organisation supported by a relevant professional qualification and/or degree. The Company's "open" management style encourages a pro-active approach and good communication skills. Ref: 1661/FT. Write or telephone for an application form or send full details (with a day-time telephone number and current salary) to R.A. Phillips, ACIS, FCII, 2-5 Old Bond Street, London W1X 3TB. Tel no: 01-493 0156 (24 hours).

**Phillips & Carpenter**

Selection Consultants

## Finance Director (Designate)

County Durham

c £25,000 + Car

Our client is a small but highly successful and innovative group operating in the leisure sector, with a history of continued success and plans for significant future growth.

They now wish to appoint a Financial Controller, who will assume full responsibility for not only the accounting and data processing functions within autonomous business units, but also their continued commercial development. Reporting to the Managing Director and forming an integral part of the senior management team, the successful candidate will be expected to input significantly to strategic and general management issues.

Candidates, aged 30-40, should be qualified

Accountants with a successful track record of achievement to date, gained preferably within a service environment and who can demonstrate a high degree of commercial awareness and flair, coupled with well developed communication skills and the ability to contribute positively to the group's future. A board appointment is envisaged in the medium term. Comprehensive relocation facilities are available where appropriate.

Interested applicants should contact Angela McDermott quoting Ref: L8445 at Michael Page Partnership, 25 Collingwood Street, Newcastle-upon-Tyne, NE1 1JE. Tel: 091-222 0545.



**Michael Page Partnership**

International Recruitment Consultants

London Bristol Windsor St Albans Leatherhead Birmingham Nottingham  
Manchester Leeds Newcastle-upon-Tyne Glasgow & Worldwide

## GROUP FINANCE DIRECTOR

c. £50,000 + SUBSTANTIAL BONUS

Perry Group plc one of the leading quoted motor distributors is seeking a finance director to join its small senior executive team based at Hertford. The group is expanding rapidly and will, by the end of 1988, hold in excess of 20 vehicle franchises covering an area from Yorkshire to the South coast. The finance director will be a chartered accountant, ideally having a motor trade background with one or more substantial dealer groups. He will be expected to assist and advise the chief executive in developing group systems and controls and will liaise with banks and city institutions: he will be much involved with acquisitions and previous experience in this area is desirable.

The starting salary will be £50,000 per annum plus a substantial personal performance bonus. Additional benefits include 2 cars, non contributory pension and PPP.

Please contact Mrs. M. Wood on 0992 554188 for a copy of our 1987 accounts and an application form.

## Stockbroking

## Financial Controller

Bristol

c. £30,000

A stockbroking group owned by a well respected plc with extensive involvement in the Financial Services Sector, seeks a financial controller for its rapidly expanding stockbroking business based in Bristol.

Reporting to the Group Finance and Operations Director you will manage the financial activities of the business ensuring that recently implemented financial controls and operational procedures are maintained. You will be primarily responsible for the development of management information systems and the regulatory reporting and legal requirements arising from the Companies Act 1985 and the Financial Services Act 1986.

Probably aged 25-30 you will be a qualified accountant

preferably with a background in the financial services sector. Personal qualities must include proven management and leadership ability.

The remuneration package will include a company car, performance-related bonus and a non-contributory pension scheme.

Please send full personal and career details in confidence to Tish Cole, quoting reference 5125/FT on both envelope and letter.

**Deloitte Haskins & Sells**

Management Consultancy Division

P.O. Box 198, Hillgate House, 26 Old Bailey, London EC4M 7PL



## Group Financial Controller

Financial Services

to £35,000+bonus

London

Fast growing entrepreneurial publicly quoted company seeks a young, ambitious financial professional to play a key role in restructuring and further expansion.

### THE COMPANY

- ◆ A young innovative financial services group with ambitious plans.
- ◆ Corporate restructuring creates this very attractive management opportunity.
- ◆ Turnover currently £1.8 million, highly profitable, fast growing.

### THE POSITION

- ◆ Introduce and develop financial reporting and management information systems in a stimulating, fast moving environment.
- ◆ Contribute to strategic direction of the group following reorganisation.
- ◆ Acting as Group Company Secretary.

### QUALIFICATIONS

- ◆ Graduate, qualified accountant, aged early 30's.
- ◆ Ideally experienced in accounting consultancy or financial services.
- ◆ Ambitious, energetic with good interpersonal skills.

### COMPENSATION

- ◆ Attractive base salary, car, bonus and stock options potential.
- ◆ Prospects of early promotion to Group Financial Director.

**N-B  
SELECTION  
LTD.**

Please reply enclosing your cv  
quoting Reference 62444 to:  
54 Jermyn Street, London SW1Y 6LZ.

## Recruitment and Personnel Services

The Financial Times  
proposes to publish  
this survey on:

22nd June 1988

For a full editorial  
synopsis and  
advertisement details,  
please contact:

**Paul Maraviglia**  
on 01-248 8000  
ext 4676

or write to HIM at:

Bracken House  
10 Cannon Street  
London  
EC4P 4BY

**FINANCIAL TIMES**  
LONDON'S BUSINESS NEWSPAPER

## The Power Behind London Financial Director

Holborn

**LEB** highly competitive remuneration

As a result of privatisation plans the London Electricity Board is embarking upon extensive strategic and cultural change. Employing over 7000 people and with a turnover of £1 billion, the Board is looking to develop long term competitive advantage for the business by combining value for its future shareholders with quality service for its customers.

The Financial Director will play a crucial role in developing and implementing the LEB's privatisation strategy. This will include liaising with Government and financial institutions and building new functions, such as treasury and taxation. A key priority will involve the evaluation of options and opportunities, particularly with regard to joint ventures, acquisitions and diversification.

The appointment demands a high calibre Chartered Accountant, probably under 50, with extensive senior experience preferably gained in a substantial customer-orientated PLC. Candidates should

demonstrate strong negotiating and management skills together with the sensitivity to bring about long term organisational change.

A comprehensive remuneration package has been designed to attract, reward and retain applicants of the highest calibre and will include a performance related bonus, a fully expensed company car and a pension scheme.

Please reply to Barbara Robertson, in strict confidence, with details of age, career and salary progression, education and qualifications, quoting reference 5090/FT on both envelope and letter.

**Deloitte  
Haskins+Sells**

Management Consultancy Division

P.O. Box 198, Hillgate House, 26 Old Bailey, London EC4M 7PL

## Health: The challenge of change

### STRATEGIC FINANCIAL PLANNING MANAGER

Up to £27k plus benefits

This is a new position which will play a vital role in the development of health services into the 1990's.

Working within a small central core team and acting as deputy to the Finance Director, the responsibilities of the position will include:

- A broad range of projects associated with a rapidly changing environment.
- The production of strategic plans within a multi-professional setting.
- The review and input to operational plans and forecasts.
- The development of effective information and reporting system.

You will be an accomplished qualified accountant (probably aged 30-40) with excellent communication and interpersonal skills. Your previous planning and analytical experience

will preferably be gained in a large commercial organisation or in the public sector. The prospects for your own personal and professional development will be exceptional.

The remuneration package will be a starting salary negotiable to £27k plus benefits including generous relocation assistance if required.

Please contact the Finance Director, Melvyn Eszenman, on 01-672 1255 ext 52445 to discuss the position in more detail.

Further details and application forms, returnable by 17 June, are available from the District Personnel Department, Grosvenor Wing, St. George's Hospital, Blackshaw Road, London SW17 9ES. Telephone 24 hour answering machine 01-672 5949 quoting reference F6. We are an equal opportunity employer.

WANDSWORTH HEALTH AUTHORITY

## Financial Director

A strong commitment to growth – both organically and by acquisition – is central to the future of this consistently successful £30m turnover company which is already a highly regarded leader in its field.

Operating from a purpose built production and packaging facility – which is second to none – this marketing led company is a supplier of high quality food products direct to the consumer, in a market where efficiency of distribution is key to success. Additionally, there is an increasing demand from third parties, including major retailers, for the company's production expertise.

You will join a small executive team and being a good strategist and well versed in acquisitions you will be a major contributor to future policy and direction.

Your responsibilities will also encompass a sophisticated MIS operation, personnel, sales administration and company secretarial duties.

A qualified accountant, probably in your 30's, you must offer significant acquisition experience – preferably coupled with a successful USM flotation – in a career which demonstrates your strategic thinking capabilities.

This appointment – which offers an excellent executive benefits package – has a Central Southern England location.

Please forward a comprehensive CV to Dennis Fielding quoting Ref MD1654 at Macmillan Davies Consultants, Salisbury House, Bluecoats, Hertford, SG14 1PU. Telephone (0992) 552552.

'the USM & then  
acquisitions'

c. £45,000 + bonus  
+ share option + car



Macmillan Davies

M A N A G E M E N T S E L E C T I O N

## HIGH TECHNOLOGY MANUFACTURING ON AN INTERNATIONAL SCALE

### GROUP FINANCIAL CONTROLLER

West Sussex

£30,000 + Executive Car

Part of a leading international group dominating world markets in specialised market niches, our client is involved in the development, manufacturing, distribution and exporting of a range of measuring instruments and consumables to hospitals and industrial users.

Having laid the foundations for sustained and profitable growth within the UK, they are currently seeking to appoint a Group Financial Controller to help them realise this goal. Based at their Head Office in picturesque West Sussex and working closely with the General Managers of the Group companies, you will guide the group's autonomous UK interests through this exciting phase of development and beyond.

Enjoying high levels of decision-making autonomy, your wide-ranging responsibilities will include:

- Assessing market competitiveness and implementing future strategies
- Liaising closely with the overseas parent
- Systems evaluation throughout all UK operations
- Investment appraisal and treasury management
- Redefining and setting objectives for the entire accounting function

This strategic position would ideally suit a qualified accountant with substantial experience, who is seeking to make a long-term career move to a progressive, constantly evolving organisation. It is likely that the appointee will be able to demonstrate experience of working within a Group structure, together with exposure to an international organisation. A manufacturing industry background would also prove advantageous.



A highly competitive salary will be supplemented by an executive car and a comprehensive range of benefits. Please write, enclosing a full CV, quoting Ref A144, to Simon Hewitt at Mervyn Hughes International Limited, Management Recruitment Consultants, 63 Mansell Street, London E1 8AN. Telephone: 01-488 4114.

M E R V Y N H U G H E S

## International Stockbroking – Career move for ACA

### SETTLEMENTS MANAGER

City

from c£25,000 + car, etc

Following reorganisation of the support function of our client – a major international firm of stockbrokers and market makers with offices in New York, Hong Kong and Australia, a new role has been created for a young accountant keen to make a career with a large financial services group in their main London office.

Reporting to the Administration Director, you will work closely with the market makers and finance function in establishing and maintaining controls within your department that will ensure the accuracy of the positions of the dealers and their profit and loss accounts.

Probably qualified as a Chartered Accountant and aged 25-30, relevant experience is less important than an interest in and commitment to a career within the financial services industry. This is regarded as an excellent introduction to such a career and will provide a sound understanding of the workings of the business. Career prospects within the finance or administration functions are therefore excellent.

Please write, enclosing a career/salary history and daytime telephone number, to John P. Sleight FCCA quoting reference 1/730/SF.

LLOYD MANAGEMENT Selection Consultants 125 High Holborn London WC1V 6QA 01-405 3499

L L O Y D M A N A G E M E N T



Recently Qualified Accountant

## A CAREER OPPORTUNITY IN TREASURY MANAGEMENT

£ Neg  
+ Benefits

West  
London

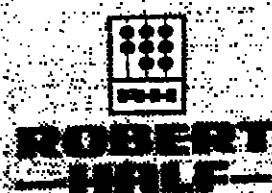
The Gillette Company is an international market leader involved in the manufacture, development and marketing of a diverse range of 'household name' branded products. Due to internal promotion, a unique opportunity exists within its Northern European HQ for a young, newly qualified Accountant.

Working closely with the Financial Accounting Manager on banking, cash planning and payment activities, you will be responsible for developing and managing an effective UK Treasury function. This will involve supervising 7 staff and undertaking systems development with a view to strengthening current cash planning and payment procedures.

The successful candidate will find a fast moving environment offering considerable exposure to senior management and professional advisors, as well as gaining a complete overview of the company's operations. Candidates should be qualified Accountants, aged mid 20's and able to demonstrate the technical and interpersonal skills essential to succeed in a promotion orientated environment.

Please apply directly to Suzanne Wood at Robert Half, Freeport, Mountbatten House, Victoria Street, Windsor, Berks SL4 1YY. Telephone: 0753 857181, evenings 01-876 5405.

Financial Recruitment Specialists  
London · Birmingham · Windsor · Manchester



## UTILISE YOUR EXPERIENCE OF BUDGETARY CONTROL AND ANALYSIS

...a rare opportunity for a top  
level professional

Home Counties £30,000 + car

Within any company the need for effective analysis and control of operating costs is fundamental to on-going success.

Within a fast growing and rapidly changing organisation, with a turnover in excess of £900 million, this becomes critical. As EXPENDITURE AND BUDGETARY CONTROL MANAGER – a key member of the financial management team – your role will be to ensure that accurate and relevant analysis on customer, product and company performance, is carried out.

This will entail the development of business plans, annual budgets and rolling forecasts, together with the analysis of operating expenditure against budget.

Aged 30+, professionally qualified, and of graduate calibre, you will have previous experience of successful expenditure/budgetary analysis within a dynamic, commercial environment and more importantly will be used to operating successfully at senior level.

In addition to well developed interpersonal and management skills, you must have the ability to take complex projects to successful completion and have the potential to further develop within the company at the highest level.

Salary as stated together with a range of attractive benefits which include private medical insurance, management bonus and relocation assistance where appropriate.

Interested? Please write in the first instance with full career and salary details. As these will be forwarded direct to our client, list on a separate sheet any companies to whom your application should not be sent. Kevin Mitchell, Ref: KM345, MSL Advertising, Centre City Tower, 7 Hill Street, Birmingham B5 4UA.

Offices in Europe, the Americas, Australasia and Asia Pacific.

**MSL Advertising**



## Group Company Secretary

A leading South East PLC, established as a market leader in the expanding residential development market, with estimated turnover for 1988 in excess of £100m, has an opportunity for a young, dynamic Group Company Secretary to join its senior management team.

Reporting to the Group Financial Controller you will provide a full secretarial service to our Group of Companies and will provide a specialist accounting service to a new subsidiary Company. The successful candidate will be a Chartered Secretary or Accountant with knowledge of secretarial practice, company law and stock exchange procedures. In addition he/she will probably be in their early thirties with a dynamic approach to business, excellent communication skills, flexibility and commercial awareness.

We offer an excellent salary and a benefits package comprised of company car, private health care, pension scheme etc.

Closing date for applications is 16th June, 1988.

The apply send full CV to A0905, Financial Times, 10 Cannon Street, London EC4P 4BY

هكذا من المثل

## Enhancing Shareholder Value...

### Strategic Planning and Finance

London

to £35,000+ Benefits

We are acting on behalf of a blue chip financial services group with substantial international operations. The Company adopts a progressive business approach with a strong emphasis on successful growth through exploitation of competitive advantage.

We are seeking a high flier to identify and pursue acquisition opportunities, develop corporate strategy, advise on market competition and business developments. This is a high profile position which is seen as an entry point for future executives where you will advise top level management in critical commercial decisions.

Candidates will be either: qualified chartered accountants, aged 27-30 who since qualification have gained a minimum of one year's experience in business investigations/corporate development in practice or industry, or an MBA aged 27-33 with a minimum of two years' experience in strategic planning/acquisitions.

If you possess the necessary qualities and are excited by the challenge offered, you should write to Jon Anderson, ACMA, Executive Division, enclosing a comprehensive curriculum vitae and daytime telephone number quoting ref. 512 at 39-41 Parker Street, London WC2B 5LH.



**Michael Page Partnership**

International Recruitment Consultants  
London Bristol Windsor St Albans Leatherhead Birmingham Nottingham  
Manchester Leeds Newcastle-upon-Tyne Glasgow & Worldwide

## Finance Director

Northampton

c£27,000 + Car + Benefits

Our client, Henry Telfer Ltd, is an autonomous £40m turnover subsidiary of the dynamic Hilldown Holdings Plc. The company is engaged in the production of a variety of top quality sandwiches and meat products for leading high street retailers and commercial catering organisations.

The company wishes to appoint a commercially minded Finance Director to steer it through planned future growth. You will assume total responsibility for the finance, DP and sales administration function and will play an active part in corporate development.

In addition to the regular reporting and financial planning responsibilities, the successful candidate will, in association with the MD, be heavily involved in the strategic planning and policy formulation process. You will also oversee the ongoing development of management systems throughout the company.

Suitable candidates, aged between 30 and 36, will be Qualified Accountants with a strong track record of achievement in an industrial environment. You will be able to demonstrate a proven ability to organise and manage the finance function and should display genuine commercial flair. A good working knowledge of computerised accounting systems is also required.

In return, the company offer a challenging and stimulating environment plus excellent career prospects and a significant remuneration package.

Interested candidates should write to  
Tony Hodgins ACA, Executive Division,  
Michael Page Partnership, Bennetts Court,  
6 Bennetts Hill, Birmingham B2 5ST,  
enclosing a comprehensive CV.



**Michael Page Partnership**

International Recruitment Consultants  
London Bristol Windsor St Albans Leatherhead Birmingham Nottingham  
Manchester Leeds Newcastle-upon-Tyne Glasgow & Worldwide



## TORONTO CANADA

Newly/Recently Qualified A.C.A.'s

Representatives of one of Toronto's major accounting practices will be visiting our offices in the U.K. to recruit A.C.A.'s to manage the substantial growth in their own highly diversified client base.

Individuals should be technically aware, ambitious and professional and willing to provide comprehensive audit, accounting and tax services to clients within the private and public sectors.

Toronto is recognised as the industrial and commercial centre of Canada and in addition to being one of Canada's most attractive cities boasts impressive social and sporting amenities.

Remuneration and relocation packages are generous offering excellent scope for progression as has been demonstrated by U.K. A.C.A.'s in the past.

- ◆ Exciting/entrepreneurial client base
- ◆ High level of special work
- ◆ International reputation
- ◆ Promotion of previous U.K. A.C.A.'s excellent

For further information please telephone Gary Johnson or Geraint Evans on 01-836 9501 (evenings/weekends 058-283 2801) or contact your nearest office.

FINANCIAL & MANAGEMENT RECRUITMENT CONSULTANTS  
**DOUGLAS & LAMBIAS**



## LEADING BANKING FAMILY HEAD OF LEGAL AND FINANCIAL AFFAIRS

Age 40's-50's Around \$40,000 + Major Banking Benefits

The family is long-established and has a major interest in one of the most prestigious UK banks. They seek an individual to safeguard and administer their personal financial affairs.

You will have a considerable degree of autonomy, since the family's Secretariat is separate from the bank. Nonetheless, you will be empowered to call upon the organisation's substantial technical resources. Strategic fiscal planning will be pivotal to the role, although you will also control a broad spectrum of complex UK and overseas settlements and enjoy involvement in a range of other activities.

You should be able to demonstrate considerable professional credibility, with an impeccable credential record gained from within a tax, accountancy or legal practice. Needless to say, we would require evidence of a recognised professional qualification, allied to significant experience of tax planning for high net worth individuals and familiarity with trust law and administration. You will possess a diplomatic approach, excellent communication skills and considerable flexibility.

In addition to a salary of around \$40,000, the compensation package will include major banking benefits such as a bonus, mortgage subsidy, car and pension scheme.



Please write, enclosing full CV, quoting Ref: A147, to Jennifer S. Tucker or Phillip Price ACA at Mervyn Hughes International Limited Management Recruitment Consultants, 63 Mansell Street, London E1 8AN. Telephone: 01-488 4114.

M E R V Y N H U G H E S

## Financial Controller

London — West End £25,000-£30,000 + Bonus

Our client is a young, expanding profitable organisation supplying bunkering and related services to ships calling at ports world-wide. They are currently looking for a financial controller to report to the Board.

The successful candidate, probably a qualified accountant aged 35-45, will be expected to set up reporting and accounting systems, manage an accounts department, liaise with company advisers and ensure smooth administration of the company.

You will be reliable, hardworking and be capable of fitting into a well-established friendly team. You should have experience of computer systems, management reporting, financial accounting and basic treasury management.

This represents a good opportunity for someone looking to move into a small, friendly company, in a high profile, responsible role.

Interested candidates should contact Suzie Mummé on 01-248 3653 (0932-220151 evenings/weekends) or write, enclosing a detailed curriculum vitae. All applications will be treated in the strictest confidence.



76, Watling Street, London EC4M 9BJ

Tel: 01-248 3653/01-489 8070

CONSULTANTS IN RECRUITMENT

## Financial Planning Ambitious Young Accountants

City

to £30,000 + Mortgage + Car

Our client, the merchant banking arm of a leading British Financial Services Group, is seeking to recruit high calibre accountants to set up its Financial Planning Function.

The Bank is a relatively new venture with ambitious plans to capitalise on its success to date. Your first task will be to develop sophisticated systems for planning and budgetary control. Once established you will assist senior managers in the implementation of these systems and in analysing their division's performance against plans. You will also be involved in integrating acquisitions within the Group.

Candidates will be recently qualified graduate accountants, aged 25-30 and have at least 2 years post qualifying experience, preferably in the financial services sector. You will have

developed a high level of analytical ability, self-motivation and interpersonal skills.

Interested applicants should write enclosing a comprehensive curriculum vitae and daytime telephone number, quoting Ref: 239, to Philip Rice MA, ACMA, Whitehead Rice, 295 Regent Street, London W1R 8JH. Tel: 01-637 8736.

*Whitehead Rice*

MANAGEMENT SELECTION

### RESEARCH ANALYST

Ansbacher Media Ltd. has a challenging opportunity for a Research Analyst to join its small, successful team.

Emphasis will be on maintaining and expanding our European Publishing and Media Database.

Candidates will be aged 25-35, and have some experience within merchant banking, stockbroking or financial institution. Salary £20,000+ according to qualifications and experience.

Please reply in confidence to:

The Personnel Manager  
**ANSBACHER MEDIA LTD.**  
103-105 Jermyn Street  
London SW1Y 6EE

### CHIEF ACCOUNTANT

We are a construction group in the North West and require a qualified Accountant with five years experience ideally in industry.

He/She will participate in all aspects of the business, the monthly management, year end and the consolidation of the Group accounts, forecasting, budgets, cash flow and all reporting procedures which are computer based on a recently updated IBM 36.

This is a career opportunity in a progressive p.l.c. group.

The remuneration package is negotiable around £15,000 + bonus + car.

Apply in confidence to M.D. Wilkinson, Financial Controller, Dev. Group Limited, Oldham. 061 624 5631.

## Financial Controllers

£40,000+ tax free

Saudi Arabia

Our client is a prestigious and highly diversified group with substantial interests in manufacturing, distribution and service industries. A pioneer in introducing new technologies to the market, the group has fully-computerised financial and management information systems throughout its network of subsidiaries.

Main tasks will be to direct and control the accounting and financial division of a major subsidiary. The successful management of working capital, foreign exchange requirements and the co-ordination of various pre-tender estimates and contract terms and conditions is of prime importance.

Candidates, probably aged mid 30's-mid 40's, should be qualified accountants with several years' experience outside the profession, and have a "hands-on" attitude and be able to work effectively within a team. Experience with computerised accounting, plus the ability to use spread sheets and apply financial modelling systems, is essential. Exposure to Middle East practices is desirable.

Salary is tax free and benefits include married accommodation, company car, medical care, paid holidays and an open-ended contract.

Opportunities are also available at a lower level for Financial Controllers, probably in their late 20's to early 30's, who have 2-3 years' post-qualification experience and are looking for a challenging role in which to develop their expertise.

Please write now - in confidence - with full career details to G E Yazigi. For the more senior posts, please quote ref. B1268/1. For the more junior posts, please quote ref. B1268/2.

MSL International (UK) Ltd, 32 Aybrook Street, London W1M 3JL.  
Offices in Europe, the Americas, Australia and Asia Pacific.

**MSL International**

## HIGH-ACHIEVING YOUNG CONTROLLER

South Wales

£23-25,000 + bonus + car

This autonomous subsidiary of a well-known International Group manufactures a successful range of engineering products. As a result of continuing investment, sales and profitability are increasing substantially. To strengthen the management team, they now require a talented and energetic Controller to head up the finance function.

In this role you will work closely with the Managing Director in developing financial controls, identifying areas requiring attention and pursuing a vigorous strategy of improvement. You will enjoy the backing of an enthusiastic management team to implement the changes that are needed to meet your objectives.

You will be a qualified accountant, late 20's or early 30's. Your experience will be broad, including advanced financial control systems, cash and balance sheet management, financial planning and systems development. You will be a persuasive communicator with a natural ability to motivate staff and win their support for your ideas and actions.

The prospects are exciting; the scope for making a material impact on the business is enormous. Following your expected success in this appointment, positions offering further challenge and reward will be available elsewhere within this expanding Group. Benefits are excellent; relocation will be paid if necessary.

Please apply to Dudley Harrop at our Manchester office quoting ref. no. M823.



Eagle Buildings, 64 Cross Street, Manchester M2 4JQ Tel: 061-834 0618

Trident House, 31-33 Dale Street, Liverpool L2 2HF Tel: 051-236 9373



# Financial Director

## Home Counties

**c£42,000 + Substantial Bonus + Car**

Our client is a division of a UK plc in manufacturing and distribution. The division has a turnover in excess of £100m and operates throughout a UK regional network.

The Financial Director will have total responsibility for the finance and DP functions with particular emphasis on tight financial controls and the improvement of management information reporting systems. Furthermore, as a key member of the executive team, the Financial Director will be involved in the running of the division and ensuring that future plans are implemented.

Candidates should be qualified accountants, age indicator 35-40, with experience achieved in

manufacturing companies that are marketing driven. It is essential that candidates have the personal qualities to succeed and progress within this acquisitive group.

Please telephone or write enclosing full curriculum vitae quoting ref: 218 to: Nigel Hopkins FCA, 97 Jermy Street, London SW1Y 6JE Tel: 01-839 4572

**Cartwright  
Hopkins**

FINANCIAL SELECTION AND SEARCH

## APPOINTMENTS

### ADVERTISING

For further information  
call 01-248 8000

**Tessa Taylor**  
ext 3351

**Deirdre Venables**  
ext 4177

**Paul Maraviglia**  
ext 4876

**Elizabeth Rowan**  
ext 3456

**Patrick Williams**  
ext 3694

# FINANCE AND ADMINISTRATION DIRECTOR

**A broad based role for a strategic thinker**

**Sussex Coast £35,000+car**

Our client's name is synonymous with the highest standards of engineering consultancy. The company is totally independent, operates on a worldwide group basis, and offers clients a comprehensive service. It is justly proud of its excellent reputation for the quality of its work and people.

Reporting to the Chief Executive, the Finance and Administration Director will direct all aspects of the company's financial and administrative affairs and work closely with senior management colleagues on commercial and strategic matters. The role is very broad and in addition will encompass responsibility for company secretarial affairs, personnel and information systems.

Candidates should be qualified accountants, preferably with a further business qualification, with

strong management and technical skills as well as the commercial experience, awareness and commitment required to make a substantial contribution to this growing company. At least some experience should have been gained in a contracting, engineering or energy related industry.

In personal terms, the appointee will have an outgoing personality and a creative approach to finance and administration matters. Candidates must have the ability to communicate with people at all levels and have a high level of strategic thinking ability. We seek a fairly strong character with energy, tenacity and the ability to make things happen.

Please reply in confidence to Anne Routledge, quoting ref. E3913.

# GROUP ACCOUNTANT

**London & Edinburgh Trust PLC**

**to £25,000 + car + bonus**

A successful and acquisitive group, London & Edinburgh Trust is expanding its interests in the financial services and property sectors, both in the UK and internationally. Highly regarded, the group is producing and forecasting impressive growth.

An important member of the small London based headquarters team, the group accountant will be involved in the collection, review and analysis of financial and management information. Further developing systems, he or she will be responsible for the preparation and presentation of published information and will participate in a range of projects. The accountant will be ideally placed for increased responsibility in this dynamic environment.

In their mid to late 20s, applicants should be qualified accountants from commerce or the profession.

Please write, enclosing a career/salary history and daytime telephone number, to David Hogg FCA quoting reference H/725/LF.

LLOYD MANAGEMENT Selection Consultants 125 High Holborn London WC1V 6QA 01-405 3499

**KPMG**

**Peat Marwick McLintock**

Executive Selection and Search  
9 Creed Lane, London EC4V 5BR

## FINANCIAL CONTROLLER Director Designate

Our client is a profitable estate and travel agency group. M.D. wants an energetic, commercially minded accountant to play a major part in the groups future. Based Ruislip. c£20K + package. Write to:

Ian Rosmarin  
Howard Parsons &  
Assoc.  
5 Upper Tachbrook  
Street,  
London SW1V 1SN.

## FINANCIAL ACCOUNTS MANAGER

**North Surrey £25,000 + Car**

With highly regarded existing services, successful new product development and particular expansion in Europe my client, a £70M subsidiary of a US Financial Services Corporation, is currently achieving 20% growth per annum - growth that will accelerate.

Reporting to the UK Head of Finance this new position offers the opportunity to take full responsibility for a Department of 15 and will be required to ensure that all Financial Accounting controls and systems are effectively managed, both on a day to day basis, and importantly, as the company expands.

Suitable applicants will be fully qualified, with good technical knowledge and proven management skills. Computerised systems experience is essential as the position will closely assist with the transfer to a parent group MSA system.

Success in this high profile role will ensure future progression.

Please contact Richard Warner on 0483 65566 (24 Hours).

**Management Personnel**  
York House, Chertsey Street,  
GUILDFORD,  
Surrey GU1 4ET

**Management Personnel**  
LONDON - GUILDFORD - ST ALBANS - WINDSOR  
NEWBURY - BRISTOL - CAMBRIDGE

## RECENTLY QUALIFIED A.C.A. INTERNATIONAL OPPORTUNITY

We are a leading European Oil Group with extensive activities in chemicals and pharmaceuticals. In preparation for a United Europe, we seek to recruit high potential candidates of various nationalities for financial management positions within the parent company and its subsidiaries in Europe and worldwide.

The initial position will be as GROUP INTERNAL AUDITOR, based in PARIS, and will involve about 50% travel to our locations worldwide. Three to four years of success will lead to a line position anywhere in the Group.

We are looking for people of the highest calibre. Our salary and benefits package, including relocation expenses, free accommodation and non-contributory pension scheme, reflects this.

Ideal candidates are graduate Chartered Accountants, preferably with a flair for languages, aged around 25, newly qualified and ready for the challenge we are offering.

Please apply in writing with detailed CV and current salary

to:  
**John Allinson, P.O. Box 155, 1211  
Geneva 24, Switzerland.**

## FINANCIAL CONTROLLER

**Marina and hotel/leisure development,  
Cambridgeshire**

Rapid forecast growth in the development of a marina site has led to the requirement for an ambitious, recently qualified accountant to take control of all aspects of the accounting function.

Reporting to the Group Financial Director, the successful candidate will have to display the technical skills and flair necessary to develop and maintain the accounting systems of a large and diverse operation. The salary offered for the job will be in the region of £17,000 per annum, and there are good prospects for promotion within this rapidly expanding Group.

Please send your curriculum vitae in complete confidence to: HS Watson, Financial Director, JPI Group, Plantagenet House, Kingsclere Business Park, Kingsclere, Newbury RG15 8SW.

## CHARTERED ACCOUNTANTS FOR CANADA

Thorne, Ernst & Whinney, the Canadian firm of Ernst & Whinney International, continues to experience vigorous growth which has created career opportunities throughout Canada for recently qualified (or nearly qualified) Chartered Accountants.

Thorne Ernst & Whinney is Canada's largest accounting firm, with fifty-six offices nationwide, we can offer you a wide variety of staff sizes and Canadian metropolitan environments from which to choose.

Meet with visiting representatives from Canada according to the following agenda:

**PRESENTATION on Monday, June 13, 6 p.m.**

**INTERVIEWS on Monday, Tuesday & Wednesday, June 13, 14 & 15 by appointment**

The Presentation will provide you with comprehensive information about career opportunities with Thorne, Ernst & Whinney and will offer a realistic portrayal of Canadian lifestyles. Interviews will be completely confidential. The location is the Ernst & Whinney office at Beckett House, 1 Lambeth Palace Road, London, SE1 7EV England.

To reserve your place or arrange an interview, please call Harry Compton, 1/928-2000.

**Thorne Ernst & Whinney**  
Chartered Accountants

Member of Ernst & Whinney International

## Financial Adviser Property

**C.London c.£30,000 + Car + Mortgage**

Continued growth of their outstanding commercial property portfolio, now exceeding £billion, has created a rare career opening for an ambitious, qualified accountant, aged c.30, with this leading institutional investor.

As an influential member of the Management Team, reporting to the Finance Director, you will be responsible for the planning of corporate structures in support of development initiatives. Thus, it is essential that you can formulate, present and justify the fiscal case for a wide range of property activities. Fluency in tax and company law is essential, and knowledge of US accounting practice ideal.

This high-profile position demands an outstanding individual who can combine technical competence with imagination, has well developed commercial instincts and above all a determination to ensure the achievement of agreed business objectives.

Career opportunities are excellent in this diversifying group. A superb benefits package includes a mortgage and non-contributory pension scheme.

Write, with full CV and daytime telephone number, to Patrick Donnelly, quoting reference FT/022.

**PD Consultants**

MANAGEMENT - SELECTION  
314/316 Vauxhall Bridge Road, London SW1V 1AA. Tel: 01-828 2273

## International HQ

**Thames Valley mid 20's c.£23,000 + car**

Chartered Accountants will find this an ideal opportunity to establish a career base in industry since it provides exposure to the latest accounting techniques supported by sophisticated systems in a dynamic management environment. Our client is a £2bn "household name" company and a world leader in a fast-moving market. The person appointed will join a high-calibre team responsible for co-ordinating the results of their U.K. and overseas operations and for submitting performance reports to corporate management. The company's style encourages imaginative thinking and a pro-active contribution so that success in this role has provided previous holders with a varied range of career opportunities throughout the organisation. Applicants should be graduate Chartered Accountants who recognise that their long term careers will best be served by building on their professional experience with a company of the highest reputation in an expanding market. Ref: 1662/FT. Write or telephone for an application form or send full details (with current salary and daytime telephone number) to R.A. Phillips, ACTIS, FCIL, Phillips & Carpenter, 2-5 Old Bond Street, London W1X 3TB. Telephone no: 01-493 0156 (24 hours).

**Phillips & Carpenter**  
Selection Consultants

## WEST LONDON U.K. FINANCE MANAGER to £30,000 + car + Benefits

Stratus Computer, Inc. designs, manufactures, markets and services a family of fault-tolerant continuous Processing systems for on-line transaction processing and communications control.

This senior financial position will report to the Financial Director and carry responsibility for accounting, reporting, M.I.S., forecasting/budgeting and internal control. The successful candidate will be a qualified, computer literate accountant with extensive experience in a similar role and with the personal qualities necessary to be effective in a demanding growth environment.

Comprehensive CV's, including current salary details and daytime telephone number to:

Maureen Chalmers  
Stratus Computer Limited,  
30 Cannon Street,  
London EC4M 6XH

**Stratus**

Handwritten note: 01-828 2273

## Influential new positions following a major management buy-out

### Group Financial Controller c £35,000 + car + executive benefits

With a turnover in excess of £150 million, our client, Glass Glover Group PLC, is one of the top two fresh food producers and distributors in the UK.

The Company has recently been subject to a management buy-out. As a result, new directions and new strategies are underway - creating a stimulating environment for the Financial Managers now needed to achieve ambitious targets.

Overseeing all the financial aspects of the Group, you will further develop sophisticated management information systems and establish a new Group Treasury function.

Aged 30+ and a qualified Accountant - probably Chartered - you must have several years' senior management experience within a fast-moving environment. You will combine a practical approach with high profile credibility. Exposure to controls within a multi-site organisation will be a distinct advantage.

Reference: B.34026

### Tax Manager

c £25,000 + car + executive benefits

This is an unusual opportunity for a young tax specialist to assume a particularly broad based role. You will set up and run a new function dealing with all areas of taxation including corporation tax, PAYE and related areas and Group VAT.

Reporting to the Group Financial Controller, this new position calls for a high calibre, self-motivated ACA, probably aged 27-35, with proven taxation experience gained either in the profession or within a commercial organisation.

Reference: B.34028

Your generous benefits package will include relocation assistance where appropriate to the Company's attractive South Yorkshire location.

If you're keen to play an influential role in a Company with outstanding potential for growth and development, please write enclosing your CV and quoting the appropriate reference number to Nigel Bates FCA, MSL International (UK) Ltd, 32 Aybrook Street, London W1M 3JL.

**MSL International**

## Financial Controller

Up to £35,000 package  
City

Our client, a small, long established private banking and investment management group, is looking for a qualified accountant to head its accounts and administration functions and to implement development plans and strategy.

The post calls for sound practical accounting experience in the City financial sector, mature judgement and reliability. The range of important internal and external contacts especially regulatory bodies requires good personal presentation and confidence.

Please apply in writing, quoting reference FT15, and enclosing a full CV, daytime telephone number and details of current earnings, to: Trevor Austin, Executive Recruitment Division, Binder Hamlyn Management Consultants, 8 St Bride Street, London EC4A 4DA.

**BinderHamlyn**  
MANAGEMENT CONSULTANTS

### Significant career move for a young professional

AGB Research has, for the last 25 years, steadily grown to become Europe's largest provider of quantitative market intelligence and an international leader in Market Research. Information is our business and we demand the most comprehensive and enlightening management information to control and further develop our business. The role of Management Accountant has a highly visible influence on decision making at the most senior level and presents a stimulating challenge for a young, ambitious professional.

### MANAGEMENT ACCOUNTANT to £25,000 pa + car

We are looking for an inquisitive, incisive and innovative accountant with a broad appreciation of business, strong leadership skills and a creative approach to problem-solving. A fluent communicator, you will have the confidence to present cogent suggestions for improving business performance. An ACCA or ICMA, you should have at least 3 years' in-depth experience including management of staff, budgets, accounts and management information systems.

Salary will be between £22,500 and £25,000 pa depending on experience and qualifications. A comprehensive benefits package includes a company car and relocation assistance where necessary. For an ambitious, achievement oriented individual, there are exceptional prospects for promotion to a more senior position within two years.

If you can meet this challenge, please telephone or send your CV to: Melanie Higgs, Recruitment Manager, AGB Research plc, West Gate, London W5 1UA, telephone 01-997 8484.

**AGB**

AGB RESEARCH PLC

### Accountancy Personnel

Placing Accountants First

#### MANAGEMENT ACCOUNTANT

West London

£20,000 + Car

A crucial role in the expansion plans of our client, a multi-national company with a UK turnover of £100 million, who sell and support every type of computer system from workstations to Supercomputers. Reporting to senior management you will use your commercial accounting skills to provide a full management information service for their key business area.

Your high profile, determination and good presentation skills will allow you to take full advantage of the further career development available.

#### HI-TECH ENVIRONMENT MANAGEMENT ACCOUNTANT

Surrey

£Neg.

As the UK's leading specialist in IBM micro to mainframe communications, our Client's continuing success has created the above new post within its Head Office.

Not that our Client is looking for just a qualified accountant - they want an ambitious man or woman to join their dynamic team and enjoy the scope this lively, fast pace environment can offer. As you would expect, a knowledge of computerised systems, particularly spreadsheets, is essential to earn the benefits available within this successful high technology company.

Interested? Then call today or write with full CV.

#### COMPANY SECRETARY DESIGNATE

Wimbledon

£18-20,000

The British Ceca Company Ltd are a dominant force in UK specialty chemicals markets. An autonomous subsidiary of a major French group, they can offer international involvement to a new Company Secretary Designate who will take responsibility for all company finance and the update and implementation of computerised systems, reporting directly to the Managing Director.

Qualified, and preferably a French speaker, you will enjoy a front-line role, sound financial rewards, and an opportunity to grow with an already successful company.

CONFIDENTIAL

For further details, contact:  
Accountancy Personnel,  
Hedford House,  
Suite 24-25,  
17-27 High St,  
Hounslow TW3 1TA  
Tel: 01-570 1616

CONFIDENTIAL

Accountancy Personnel,  
Pearl Assurance House,  
High St,  
Woking GU21 1UJ  
Tel: 0483 757774

**CECA**

For further details, contact:  
Accountancy Personnel,  
38 Wimbledon Hill Road,  
London SW15 7PA  
Tel: 01-878 7007

### FINANCIAL CONTROLLER (Director Designate) PUBLIC COMPANY - SURBITON

FCA ONLY (28-35) c.£45,000

Our Company, listed as 23rd in the 200 fastest growing UK Public Companies, has become the leading wholesaler distributor of Micros & computer peripherals.

We are seeking an energetic responsible personality to join a highly successful and proven management team.

The present high growth of the Company has elevated the present F.D. into an overall management role, creating a vacancy for a suitable replacement.

The position covers the usual financial disciplines along with responsibility for the continuing improvement and implementation of internal management systems. The successful candidate will possess and have demonstrated a very high level of commercial awareness in addition to the usual expected skills.

C.V.'s in strict confidence to:

A.L. Bowen (FCA)

Northamber plc

Lion Park Avenue, Chessington, Surrey, KT9 1SU

### FINANCIAL CONTROLLER £20,000 + Car

For a major communication service company based in Chelsea.

The candidate must have hands in experience of full financial responsibility in a medium sized business. The job would suit an accountant ready to accept a challenge and willing to liaise with other departments.

please apply by writing with a full CV to:  
Peter Cusk - Chief Executive  
One to One Inc.  
102 Sydney Street, London SW3 6NL

### Somerset FINANCE DIRECTOR (Designate)

To £25,000 + car

+ substantial potential  
benefits

Engaged in the fast-growing plastics packaging business, this subsidiary of a £375 million turnover international group has sales approaching £10 million and over 150 employees. The company, which is located in Bridgwater, has recently invested substantially in new plant as part of a major product diversification programme.

Reporting to the Managing Director, and supported by 5 staff, the Finance Director (Designate) will be responsible for all finance, personnel, purchasing and general administration functions. The successful candidate will be expected to improve financial control and management information and to participate with other executives in making decisions affecting profitability and business development.

Applicants must be qualified accountants whose manufacturing industry experience, preferably gained in a batch production environment, should include both standard costing and product profitability reporting. Exposure to the food, packaging or FMCG industries would be an advantage.

Relocation expenses will be paid where appropriate. Attractive additional benefits will apply on achieving full board status in about one year and this expanding group offers ample scope for further career development.

Please send a comprehensive career résumé including salary history and day-time telephone number, quoting ref: 2930 to Graham Perkins, Executive Selection Division.

**Touche Ross**

Thames Inn House, 3/4 Holborn Circus, London EC1N 2HB. Telephone: 01-353 7361.

### FINANCIAL ACCOUNTANT

West London

Salary c £19,000, Car, Benefits

The company is a wholly owned subsidiary of Trafalgar House PLC, with a Head Office based in West London and provincial factories. Its business is the manufacture and marketing of high quality ceiling tiles and panels and it enjoys an excellent market reputation and a progressive growth record.

The requirement now is for a commercially aware Accountant to take full control of the company's financial management and accounting system. This newly created role reports to the Managing Director and will centre around establishing a computerized accounting system, influencing credit control policy and practice, controlling cash and stock flow and the provision of management information.

Candidates will be qualified or part qualified accountants in their late 20's to early 30's and ambitious to progress both within the company and the broader parent organisation. The negotiable salary is enhanced by a fully expensed company car and attractive large company benefits.

Please reply with full CV to: Mr. G.E. Gilbert, General Manager, Personnel, Cementation House, Maple Cross, Rickmansworth, Hertfordshire WD3 2SW.



### Hong Kong Society of Accountants

#### Technical Director - Hong Kong

The Director will have overall responsibility for the provision of technical support and secretarial services to those committees of the Society which formulate accounting and auditing standards and guidelines and those which are concerned about legislation and practices affecting the profession. He will advise and assist the committees in the development of technical services to members of the Society and will be responsible for the implementation thereof.

Candidates should be qualified accountants and preferably have had experience in the technical department of a professional firm.

This is a very important position which offers a high degree of exposure to current matters of technical concern to the accounting profession. An attractive remuneration package will be negotiated commensurate with the exceptional qualities demanded.

To progress this opportunity please telephone, or write with a full C.V. to John N. Sear FCA.

**CHARTAC**  
Recruitment  
Services

CHARTAC RECRUITMENT SERVICES  
The Institute of Chartered Accountants  
in England and Wales, PO Box 433  
Chartered Accountants' Hall  
Moorgate Place, London EC2P 2BJ  
Tel: 01-628 7060

## WINCANTON GROUP AMBITIOUS CHARTERED ACCOUNTANT

c £21k plus car Camberley

Wincanton Group, a subsidiary of Unigate plc, is one of the UK's leading transport and distribution companies with a turnover in excess of £400 million and further plans for major growth. As a result of this expansion the Finance function is being strengthened and a key appointment is to be made at Group level.

Reporting to the Group Finance Director, the role will involve direct responsibility for operational audit reviews of three operating companies. In addition there will be a substantial element of project work in areas such as acquisitions and business re-organisation.

The ideal candidate will be a self starter ACA with at least 1-2 years' post qualification experience with one of the larger practices. Good communication skills, and a positive approach are essential.

The role is an ideal first step into commerce and offers exciting career development potential to line management in the short term.

A reward package will be negotiated which reflects the importance of the job.

Please send full CV to: S E Bown, Finance Director, Wincanton Group Limited, Station Road, Wincanton, Somerset, BA9 9EQ.



## Financial Controller

Engineering  
North London,  
Home Counties  
£25,000 - £30,000,  
Car, Benefits

Reporting to the Managing Director, this is a senior role with responsibility for developing a professional financial function consisting of 12 people. This is an international business, a £15m per annum turnover subsidiary of a major UK plc. Knowledge of financial reporting and systems in a contracting business is highly desirable. Aged early thirties, a qualified accountant, you must have first class technical skills, and a thorough grasp of computerised accounting systems. On a personal front, significant management and leadership skills are essential. You must also have the ability and ambition to aspire to the highest levels of management opportunities available in this fast expanding organisation.

J.A. Thomas, Ref. L13076/FT. Male or female candidates should telephone in confidence for a Personal History Form. 0532-448661, Hoggett Bowers plc, 7 Lisbon Square, Leeds, LS1 4LZ.

## Hoggett Bowers

Executive Search and Selection Consultants  
BIRMINGHAM, BRISTOL, CAMBRIDGE, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE, NOTTINGHAM, SHEFFIELD and WINDSOR  
A MEMBER OF BLUE ARROW PLC

## Financial Director

... a highly commercial international role

c. £35,000 + benefits West of London

Our client, part of a major multinational group, is a specialist supplier of bespoke engineering systems to the oil/gas/petrochemical industry. Recent years have seen rapid profitable growth, to the current turnover of £10m.

The role of the Financial Director will have a distinctly commercial orientation. It will include a very important contribution to the executive management of the business. In addition to line responsibility for the accounts, systems, personnel and administration functions, the successful candidate will make a major legal and commercial input particularly as regards international contracts negotiations.

A qualified accountant, preferably a graduate aged 33-40, you will have had experience of running a computerised accounting function at Department Manager level with exposure to foreign exchange management and contract assessment. A team player, you will combine professionalism with strength of personality to hold your position around the negotiating table. The job will entail occasional foreign travel.

Please write - in confidence - enclosing full details including current salary to Nigel Bates FCA, ref. B 34029.

MSL International (UK) Ltd, 32 Aybrook Street, London W1M 3JL.

Offices in Europe, the Americas, Australia and Asia Pacific

MSL International

## Director of Pensions Insurance and Payroll

City £35,000-£40,000 negotiable

Pre-eminent in its fields of operation, our client is seeking an FCIS or Chartered Accountant to manage a team of six people responsible for the pensions, insurances, payroll and other company secretary related duties for around 1,000 people.

The successful candidate will possess the background, intellectual pedigree and maturity to ensure rapid integration into a large professional practice. Reporting to the Finance Director, candidates will need to demonstrate previous success in dealings with fund managers, actuaries and insurance brokers of the highest calibre.

Please write in absolute confidence to Peter Willingham, quoting reference PTW3, at Spicers Executive Selection, 13 Bruton Street, London W1X 7AH.



SPICERS EXECUTIVE SELECTION

A MEMBER OF SPICER & OPPENHEIM INTERNATIONAL

## P/Q - NEWLY QUALIFIED CENTRAL LONDON C £23K + BENEFITS

OUR CLIENT - is the UK Head Office of a US Banking Corporation with a full range of financial services support activities; is rapidly expanding its operations; is searching for three young accountants (23-27) with drive and flair.

THEY OFFER - a salary ranging between £18,000 and £23,000 (depending upon level of qualification); a 5% mortgage package; private medical cover; a pension scheme; interest free season ticket loan; fully paid study leave to part qualifieds, and above all, superb opportunities for career progression.

YOU - are Degree Status; approaching finals or recently qualified; have banking experience or training with one of the "Big 8"; have drive and the ambition to succeed in a tough commercial banking environment; are probably frustrated by the "dead man's shoes" approach with your present organisation; have the ability to supervise, train and motivate staff.

In the first instance please telephone PAUL SAUNDERS on:

01-636-9891

01-637-9601

01-637-3096

HUNTER TURNER ASSOCIATES

2ND FLOOR

EDINBURGH HOUSE

40 GREAT PORTLAND STREET

LONDON W1N 5AH

or send your C.V. to him at FAX NO. 01-436-9693



Recruitment Consultants

## NSPCC Finance Director

c. £30,000 + car: London

The NSPCC is one of the largest and most successful charities in the UK, with a total annual expenditure last year of £18m. £23m is forecast for this year, to be raised from the Society's voluntary fundraising activities, grants, legacies and trading operations. The Finance Director is responsible for the finance and administration function of the Society and the prime task will be to ensure the smooth and efficient running of this service. Candidates should be qualified accountants, preferably with a degree or higher level education. Experience of running the finance department of a similar sized but commercial operation would be helpful but most important is the skill to motivate, manage and develop sound financial strategy. The ability to communicate, delegate and cope with pressure is vital and a sense of humour would help. Please reply with full career details in strictest confidence to Peg Eva, as adviser to the Society, at Selection Thomson Ltd., 115 Mount Street, London W1Y 5HD.

Selection Thomson

London and Glasgow



## CHIEF accountant

Cannon Lincoln is a successful company by any standards.

Behind our outstanding record in life assurance, unit trusts, mortgages and pensions lies an approach to business that is based upon flexibility and innovation.

These qualities distinguish all of our products and services. We'd certainly expect to find them in our new Chief Accountant.

To help us maintain our position at the forefront of the financial services industry, you'll need to combine them with a thorough understanding of financial and investment accounting, and sound experience of operating at a senior level in a related area of business.

You will take the initiative to ensure that our yearly accounts appear in a concise, approachable way so that everybody - our

own staff, and the financial sector at large - can appreciate our achievements.

An understanding of the fund management activity would be a useful asset, but it's not essential. What really matters is that you combine absolute professionalism with the dynamic, forward-looking approach that marks all Cannon Lincoln's business.

If you do, you can rely on a salary c.£25,000, and benefits including a company car, mortgage subsidy, health insurance, non-contributory pension and substantial bonus.

To apply, please write with your c.v. to Bob Cox, Personnel Manager, Cannon Lincoln, 1 Olympic Way, Wembley, Middlesex HA9 0NB, or telephone him on 01-902 8876 ext. 232.



The Strength to Care

## ACCOUNTABILITY

Our client based in the East Midlands is a major UK manufacturing group with £90m turnover and a target to go public in the near future. Recent consolidation together with a lively acquisition and expansion policy has created a demand for ambitious professionals to join a new corporate team.

### Group Accountant

c£20k + car

Responsible to the Financial Director the specific objective for this new high profile role will be to provide the group with an effective corporate, financial and statutory accounting service. Acquisition studies, board reporting, corporate payroll, financial performance analysis of home and overseas units are all important parts of the job. Highly qualified professionals with corporate experience should be commercially astute, innovative and influential.

### Assistant Company Secretary

c£16k

To ensure that the group meets its corporate, legal and administrative requirement this central role will need strong secretarial expertise together with a high degree of organisational and co-ordinative ability. The successful candidate will be ICSA qualified with secretarial experience preferably involving advice to subsidiary companies. The corporate team will work in the stimulating and rewarding environment of the management of change and commercial decision making.

The excellent rewards for both positions include generous benefits and relocation assistance plus the excellent career prospects associated with going public.

Please forward c.v. to Pam Suckney, Recruitment Division, SCA Limited, Langley House, Langley Mill, Nottingham NG16 4AN. Tel. (0773) 760915.



MANAGEMENT CONSULTANTS

## FINANCIAL ACCOUNTANT A calculated career move with a leading retail group

c.£20k + bonus + car

Central London

If you're keen to develop your financial skills and gain a greater depth of experience in a high profile commercial environment, you should consider this opportunity with our client.

As one of the UK's most prominent and certainly most successful retail groups, they're enjoying a period of unrivalled growth within the industry. And now, the ever-increasing success of one of their major retail chains demands the enthusiasm and commitment of a commercially minded Financial Accountant with 1-2 years' post qualification experience.

Located at the company's Head Office, you'll assume responsibility for a close-knit team of around 6-8 people - some of whom are part-qualified accountants. Subsequently, you'll have to demonstrate management skills in order to ensure that monthly packages, and half-year and year-end

accounts are prepared and produced to strict deadlines. Other duties will also demand that you have good interpersonal skills, in order that you are able to develop good relationships within the department and other areas of the business, as well as being organised and flexible when necessary.

If you have the commitment, ambition and experience essential to this role, ideally with some working knowledge of computer systems or PCs, you can look forward to a highly attractive salary and an extensive range of company benefits which include a company car, bonus and substantial discounts on all Group products. Not to mention unparalleled opportunities for rapid progression within the Group as a whole.

Please write with full CV to John White at the address below quoting reference no: 4062.

Grosvenor  
SEARCH INTERNATIONAL LTD  
178-202 Great Portland Street, W1N 6JJ

## INVESTMENT ACCOUNTING AND REPORTING

Major international multi-industry corporation seeks experienced hands-on investment accountant for its small investment team managing a US \$200 million balanced portfolio. Job location: Monaco.

The candidate will be a one-man key support function for the investment activity. He will introduce better PC-based investment accounting and reporting software, assure timely and accurate accounting, produce management reports that effectively support investment decisions in most financial instruments, and control performance of external investment managers. He will devote major effort to decision support including sensitivity, valuation and risk return analysis of contemplated investments.

The candidate should have at least 3-5 years experience in PC-based investment accounting/reporting and demonstrated skills in optimizing the systems and decision support for investment management. He should be excited by the opportunity to run the systems support single-handedly within the small investment team and thus have an essential role in the investment process.

We intend to develop our investment management activity into a self-standing, top-notch investment firm. The candidate will have career opportunity to take an important role in the process. Alternatively, he will have career opportunity to transfer into a controlling/financial function of the Corporation.

We are looking for an outstanding individual and are willing to pay accordingly. Please send resume and compensation expectations to:

J.A.M. Vijverberg  
Vice President TSG Invest  
TSG Management SAM  
P.O. Box 89  
MC 88007 MONACO CEDEX  
Phone: 93 30 06 87

## DREWEATT-NEATE

CHARTERED SURVEYORS - ESTABLISHED 1780

CHARTERED ACCOUNTANT - WINCHESTER BASED  
We require a commercially active, highly self-motivated Chartered Accountant.

Dreweatt Neate is a progressive, expanding independent firm of Chartered Surveyors with 14 offices throughout central southern England. The candidate must be commercially aware, probably late twenties/early thirties and be able to demonstrate broad-based financial ability and a forward-thinking understanding of business issues.

He or she will be eager to use their professional experience in a commercial environment and positively contribute toward the successful expansion of the firm. This is a senior position with superb prospects. The remuneration package, which includes a car, reflects the challenge of the position.

Please apply in writing to:  
The Partnership Secretary, Dreweatt Neate  
16-18 Market Place, Newbury, Berkshire RG14 5AZ

## FINANCIAL CONTROLLER (DIRECTOR DESIGNATE) - CITY OF LONDON

Our client is a young, expanding Financial Services Company involved in the provision of advice and management of share portfolios for private individuals.

They now wish to appoint a Financial Controller (Director Designate) to become actively involved in the development of accounting systems and all aspects of financial management, expansion and Financial Services Act compliance matters.

The post will be demanding and fulfilling in an organisation seeking growth and a very competitive financial package will be offered to the successful candidate.

Candidates will be qualified, experienced, Chartered Accountants preferably with some previous involvement in the financial services sector.

Applicants should write giving full curriculum vitae to:

Stoy Hayward  
A member of Horwath & Horwath International  
Chartered Accountants, Foxhall Lodge,  
Gregory Boulevard, Nottingham NG7 6LH.

## UNICEF UK

### HEAD OF MANAGEMENT SERVICES

Are you - a qualified accountant? an experienced administrator? willing to place your skills at the service of the world's children?  
The UK Committee for UNICEF, responsible for developing and managing support in Britain for the work of the United Nations Children's Fund, is looking for an imaginative, dedicated accountant to head its administrative and financial affairs.  
Responsibilities include budgets, management systems development, fees commercial awareness must be linked with understanding of the special needs of a major UK registered charity and the ability to manage staff in two locations - Central London and Chelmsford.  
The Head of Management Services is responsible through the Director to the Executive Board of UNICEF UK for all financial matters. The post offers great scope for career satisfaction and financial remuneration which will not be less than £17,000 p.a.

Applications, marked MS/FT to:  
The Director  
UK Committee for UNICEF  
55 Lincoln's Inn Fields,  
London WC2A 3BN  
Closing date: Monday, 20 June

## GREAT CAREER OPPORTUNITY

### For Young Qualified Accountant

An international tax and financial service company based in London, Hong Kong, Tokyo and Switzerland, and itself a subsidiary of a major international group, seeks a young accountant to take charge of the accounting and financial control functions of its London company.

For the right person, who will be personable and able to work on their own, this position offers an exciting long term career prospect.

Write to Box A0906, Financial Times,  
10 Cannon Street, London EC4P 4BY  
giving full details and salary required.

## FINANCIAL DIRECTOR (DESIGNATE)

NORTH OF ENGLAND

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SECTION II - COMPANIES AND MARKETS

# FINANCIAL TIMES

Thursday June 2 1988

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## Royal Bank of Canada jumps 25% in quarter

BY DAVID OWEN IN TORONTO

ROYAL BANK of Canada, the country's largest chartered bank, yesterday reported a 25 per cent increase in third-quarter profit, despite raising to 41 per cent of exposure its cumulative general provision for possible less developed country (LDC) losses.

Continued strong performance from the bank's core businesses - retail and corporate banking and treasury operations - underpinned the advance. A marked improvement in the bank's private sector loan portfolio also contributed.

In all, net income for the three months ended April 30 totalled C\$143.5m (US\$115.7m) or 99 cents per fully diluted share, compared with C\$114.7m (79 cents a share) in the corresponding year earlier period.

In the first six months, the bank earned C\$297.2m (C\$2.06 a share), against C\$227.8m (C\$1.61) in 1987 - an increase of 30 per cent.

During this period, the bank has added C\$195m (or C\$1.04m after tax) to its third world loan loss provision. It intends to aug-

ment this reserve to approximately 45 per cent of exposure - the maximum indicated by Canadian regulatory authorities - by the year end.

While buoyant second-quarter domestic earnings (up 38 per cent from a year ago) considerably mitigated the effect of increased loan loss provisions on the Royal's overall results, the bolstered reserve did impact heavily on its international operations.

These recorded an after-tax loss of C\$2m for the period, compared with a C\$10m profit in 1987. In the quarter just ended, some C\$45m in past due interest receipts from Brazil was credited to income.

Average total assets were C\$100.9bn in the second quarter - a decline of 1 per cent over the three months. The bank attributed the reduction both to a decrease in its deposits with other banks and to the lower translated value of US dollar assets. These offset growth in mortgages, business loans and bankers acceptances.

## Hughes and Dresser put pump venture up for sale

BY JAMES BUCHAN IN NEW YORK

BAKER HUGHES and Dresser Industries, two leading Texas energy and mining service companies, yesterday put their BJT-Tan joint venture in pressure pumping services up for sale as part of the continuing reshaping of the troubled industry.

Baker Hughes, which is itself the result of the 1987 merger of Baker International and Hughes Tool, said yesterday that it was also seeking to sell its overseas pressure-pumping business, BJ

Services International, which Baker Hughes owns wholly. BJT-Tan, which is 72.5 per cent owned by Baker Hughes and operates in the US and Canada, enjoyed revenues of about \$165m last year. BJ Services reported sales of about \$115m from the Eastern hemisphere and Latin America.

Shearson Lehman Hutton, the big Wall Street investment firm, has been hired to examine the applications.

## AG Stanley bid battle ends with £130m offer

By David Waller in London

THE ACrimonious battle for control of A.G. Stanley, one of the largest British DIY chains, came to an abrupt end yesterday morning when the board accepted an increased offer from Ward White, the acquisitive UK retailer.

The improved values the company at £130m (\$228m), or 311½p per ordinary share, compared with £111m when Ward White launched its assault in April. Ward White's cash alternative, originally 253p per share, was raised to 309p.

Agreement was reached yesterday after Ward White said it would go ahead with a higher bid - albeit at 290p a share, slightly below the eventual offer - whether or not it won the board's recommendation.

Pivotal in deciding the outcome was the attitude of Williams Holdings, the UK industrial conglomerate which acquired 25.3 per cent of Stanley's shares when it bought the Bergen paint group last year. Williams let it be known that it would accept Ward White's new offer irrespective of the stance of the Stanley board.

Mr Roger Regan, Stanley's managing director who has been vehemently opposed to the bid said yesterday he did not begrudge Williams' decision; the 360p cash offer was too generous to be turned down. The price compares with the 218p achieved by Stanley shares on the eve of the bid.

Ward White's shares closed 10p higher at 289p yesterday, while Stanley's shares gained 18p to 303p. Ward White's share alternative, of 23 new convertible shares for every 10 Stanley ordinary shares, has been ousted by £6.54 in cash or loan note. Williams Holdings has indicated that it will take the paper in respect of half its holding.

Lex, Page 18

Bernard Simon and David Owen on the problems of meeting power demand forecasts

## Ontario Hydro confronts a generation gap

ONTARIO HYDRO epitomises a dilemma faced by electric power utilities throughout the industrialised world. Unless it is to risk having inadequate capacity to meet electricity demand at the turn of the century, North America's biggest power supplier must decide within the next one or two years whether and how to expand its generating base.

Like many of its counterparts elsewhere, Ontario Hydro would prefer to take a breather. Building new power stations is bound to push up generating costs and thus raise electricity tariffs in the province where one-third of Canada's population lives and almost 50 per cent of its industrial goods are produced.

"New plant is incrementally more expensive than existing plant," says Mr Robert Franklin, who took over as Hydro's chairman last January after a 30-year career in financial administration with Canadian National, the state-owned transport and telecommunications group.

Furthermore, any new power project - whether nuclear, coal-fired or hydro-electric - is bound to face a hostile reception from neighbouring communities and a strong environmental lobby.

With its chairman and board appointed by the provincial government and its loans guaranteed by the province, Ontario Hydro has to be sensitive to politicians' concerns.

A slowdown in new investment would also enable Ontario Hydro

to one of Canada's heaviest borrowers on domestic and international capital markets - to improve its debt and other financial ratios. Capital spending is expected to peak at C\$2.5bn (US\$2.7bn) this year, falling to C\$2.1bn (in constant dollars) as the Darlington nuclear power station east of Toronto is completed in 1992.

The problem in weighing the pros and cons of new capacity is that unexpectedly strong economic growth in central Canada is upsetting Hydro's consumption forecasts.

Based on a real growth in demand averaging 2.5 per cent a year, Hydro estimates that its existing power stations and the new Darlington plant will be adequate until 1996. The company currently has an installed peak capacity of 30,100 megawatts. Darlington's four units will add another 3,600 MW.

But demand zoomed ahead by almost 5 per cent in 1987, and by no less than 9 per cent in the first three months of this year. "That is worrisome," says Mr Franklin.

With a big power station taking 12 to 14 years to plan, design and build, even an immediate start on new capacity would not put extra electricity into power lines before the year 2000.

Hydro's highest priority is thus to find ways of ensuring that the date when demand overtakes present supply is pushed back from 1996 - or considerably earlier if present consumption

trends continue - until the turn of the century. It has adopted a three-pronged approach:

● Some small hydro-electric sites will be developed in the mid-1990s, adding some 1,000 MW to installed capacity. One project involves the "more efficient use" of facilities at Niagara Falls, Mr Franklin says.

● Private electricity users are being encouraged to develop their own generating plants on small rivers. For example, Hydro and Great Lakes Forest Products are to build a plant in northwestern Ontario that will cut the company's call on Ontario Hydro power by about 22 MW.

Hydro is also discussing a plan by InterCity Gas, a gas utility, to build a 75 MW facility which would sell steam to a local pulp and paper mill, and electricity to Ontario Hydro. Attractive rates for electricity purchases and low-interest loans are among the ways in which Hydro hopes to encourage such "parallel generation" projects. Private generating stations are expected to supply a further 1,000 MW by the turn of the century.

● Most important, the utility is looking for ways to dampen demand for electricity by as much as 2,000 MW over the next 12 years. "I'm not after market share," Mr Franklin says. "We're not trying to maximise our profits. We're trying to minimise our costs."

A wide variety of programmes has been launched to conserve

electricity use. In announcing a 5.5 per cent average rise in 1988 electricity rates, Hydro last month proposed a "time-of-use" rate structure which will offer discounts for power supplied to municipal utilities and large industrial customers at off-peak periods.

Hydro estimates that 40 per cent of its power is consumed by electric motors. It has begun offering low-interest loans and even grants to customers willing to replace existing motors with more power-efficient models.

Nine companies in the province agreed last year to take part in a new programme which precisely measures the energy consumed by specific stages of an industrial process. Hydro expects the participants' fuel savings to average 16 per cent, with a typical payback period of only one year. In one case, a suggestion by Hydro engineers led a Toronto ceramics company to install a microwave oven - cutting the curing time for its products from 24 hours to six minutes.

Even if these initiatives are successful, Hydro needs to give thought now to the early years of the 21st century. A report on supply and demand published last December is currently being scrutinised with a view to setting the 50 or 60 different criteria which will determine how future growth in electricity needs is to be met. According to Mr Franklin, a plan of action should be ready by mid-1989.

Hydro's flexibility in reaching a decision may be further constrained by its commitment to cut acid gas emissions by 60 per cent between 1982 and 1994.

Low water levels and high energy demand forced the utility to burn 49 per cent more coal than expected in 1987. This resulted in a 25 per cent year-on-year hike in acid gas emissions.

While the discharge was still 30,000 tonnes below the current 430,000-tonne permissible limit, it was far in excess of the 215,000-tonne mark which must be achieved by 1994. In such circumstances, Mr Franklin estimates that any decision to build new "clean" coal stations would push electricity tariffs up by 25 to 30 per cent.

Cost also militates against importing electricity from power-rich Canadian provinces like neighbouring Quebec and Manitoba. Both have embarked on ambitious hydro-electric projects oriented towards exports to the US.

"All the negotiations we have had have been at prices more than twice the cost of generating the power ourselves," according to Mr Franklin. Only some 5 per cent of Hydro's total output is bought from other utilities. About 47 per cent, meanwhile, is supplied by nuclear installations, with the remainder split evenly between hydraulic and coal-fired plants.

## Edelman launches \$2.8bn bid for Centel

BY RODERICK ORAM IN NEW YORK

CENTEL, a US telephone, electric utility and cable television company, has received a \$65 a share takeover bid worth some \$2.8bn from Mr Asher Edelman, the New York corporate raider, and Mr George Lindemann, his investment partner.

Their offer is contingent on Centel dropping plans announced late last week to pay \$75m for the paging and cellular telephone operations of United Telecommunications.

The investors believe Centel paid about 30 per cent too much for the assets because, for example, most of the cellular telephone interests are in second tier markets or are minority stakes.

Mr Edelman and Mr Lindemann, who is chairman of Metro Mobile CTS, a New York mobile phone company, said Centel agreed on the deal only to thwart their suggestion of a partial or full liquidation of the company.

They have been waging a proxy fight for three board seats since June 28 annual meeting to press their plan to enhance shareholder value.

If the Chicago-based company persists in the acquisition, Mr Edelman and Mr Lindemann have said they will offer only \$60 a share. The stock closed up \$4½ to \$50 on Tuesday after the announcement but it had already risen sharply in recent months because of the Edelman-Lindemann campaign.

## Anglo American setback

BY JIM JONES IN JOHANNESBURG

LOWER DIVIDENDS from gold investments and poorer coal profits acted as a big restraint on the past year's earnings of Anglo American Corporation, South Africa's largest mining and industrial group, and partially offset improved revenues from the group's diamond, platinum and industrial interests.

The consolidated pre-tax profit dropped for the first time in more than a decade but a lower tax bill and lesser amounts attributable

to minority shareholders in subsidiary companies resulted in a fractional increase in the attributable after-tax profit.

Investment income rose to R1.02bn (\$346m) in the year to March 31 1988 from R943m in the previous year. However, poorer trading conditions in export coal markets cut trading income to R274m from R425m and the consolidated pre-tax profit dropped to R1.41bn from R1.54bn.

## East Rand Gold and Uranium Company Limited

(Incorporated in the Republic of South Africa)  
Registration No. 71/07001/06

### Overall results boosted by the new Daggafontein plant

Extracts from the review by the Chairman Mr EP Gush

#### Financial results and comments

This has been a reasonably successful year for your company and profit available for distribution increased by 15 per cent to R49.6 million. This was the first year of production for the new Daggafontein plant - gold production increasing by 27 per cent to 11 026 kilograms. Revenue from gold and silver increased by 36 per cent to a new high of R327.9 million and total operating costs increased by 39 per cent to R227.0 million. Overall profit margins narrowed as the rand gold price increase of only 8 per cent was lower than the increase in working costs.

Operating profit was R7.6 million lower at R109.1 million and taxation at R16.7 million was significantly higher than the previous year's largely because capital expenditure was almost halved to R45.7 million. Of this, R4.0 million was provided by the remaining balance of the debenture funds raised in 1984 for the purpose of financing Daggafontein and other projects. Taking into account loan repayments of R1.4 million, a total of R43.1 million was appropriated from current earnings leaving R49.6 million available for distribution.

Most of the capital expenditure was incurred to sustain operations at Ergo Division although a large amount was also spent on the completion of the Daggafontein project. Expenditure in the current year is expected to be R61.3 million, of which R43.8 million will be spent by the Ergo Division.

It is expected that during the current year throughput in all divisions will increase slightly, with a concomitant increase in gold production.

#### Markets

The average London gold price fixings continued their upward trend and the average fixing for the year to March 31 1988 increased by 20 per cent over the previous year, to \$459 per ounce. This increase in the price flowed largely from the continuing decline in the value of the US dollar, which fell during this period by 9 per cent and 14 per cent against the Deutschmark and the Japanese yen respectively. Against this background of a weakening US dollar, the rand also strengthened during the year to a high of R1.92 to the dollar at the end of 1987, thereby reducing the beneficial effect to South African producers of the improved dollar gold price. As a consequence, the average gold price received by Ergo for the year to March 1988 was R29 678 per kilogram, only 8 per cent up on the price received for the previous year.

Physical demand for gold in 1988 has been strong, particularly in the Far East, where Japan continues to import gold for both investment and jewellery purposes, and where changes in both government policy and tax legislation in Taiwan have given rise to very substantial gold purchases by that country in recent months. However, with newly-mined gold forecast to continue to increase in coming years, the role of the investor remains crucial to the

absorption of surplus bullion on the market. In this respect the role of gold as a supplement to investments in the stock and bond markets, and as a hedge against currency fluctuations, is becoming increasingly important and is encouraging that the additional supplies brought on to the market recently have been so well absorbed.

The uranium market will continue to lack direction while the 1986 US court order forbidding the purchase of non-US uranium by American utilities remains under appeal, although the draft US/Canadian Free Trade Treaty, if ratified, would do much to neutralise market distortions caused by this embargo by guaranteeing Canadian uranium access to the US market. Both the outcome of the US court case and the ratification of the trade treaty are expected during 1988. Prices of uranium oxide have eased somewhat during the past year and are not expected to firm in the near future.

Uranium sales by Ergo returned to lower levels during the year after the previous year's advanced deliveries against long-term contracts. Sulphuric acid sales were maintained at previous levels, although the fertilizer industry remains depressed, with considerable under-utilisation of production capacity. The ongoing problems in this industry make it likely that prices for sulphuric acid will remain under pressure.

#### Industrial relations

Anglo American Corporation maintains its belief in the need for and role of responsible unions but is increasingly concerned about the pattern of violence, intimidation and work stoppages. The Corporation will continue to engage the NUM on the strict adherence to agreed behaviour and codes of conduct in order to safeguard individual workers' freedom of association and choice in the workplace, and ensure that the violence and intimidation associated with labour disputes can be properly dealt with.

The Anglo American Group Employee Shareholder Scheme was launched in March 1988. The response from eligible employees at Ergo has been gratifying and to date over 90 per cent have elected to take up the offer of five Corporation shares at no cost to themselves. The scheme, which is aimed at enabling employees to participate in the process of wealth creation and enterprise ownership, will initially run for five years with the number of shares to be issued being determined from year to year in the light of prevailing conditions.

**ergo**

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## PETROFINA

Société Anonyme

### Highlights of the 1987 Report

Finance (thousands of £)	1987	1986
Net Income	287,103	280,095
Cash flow	729,147	721,292
Consolidated turnover	6,939,572	6,820,471
Duties and taxes	1,824,201	1,654,578
Fixed assets (net of depreciation)	2,403,364	2,838,375
Operations	1987	1986
Production of crude oil (thousand metric tonnes)	5,669	6,140
Crude oil processed in the Group refineries (thousand metric tonnes)	22,848	22,200
Sales of refined products (thousand metric tonnes)	30,057	27,600
Sales of natural gas (million cubic metres)	3,969	3,600

### Report of the Board of Directors

(excerpts)

Petrofin's share in the Group's consolidated profit for 1987 was 17,544 million Belgian francs (€287,103,000 or \$469,808,000) compared with 18,339 million Belgian francs in 1986.

In accordance with Group policy when calculating these profits, stock valuations were based on the last-in-first-out (LIFO) method.

The unprecedented upswing in our petrochemical activities, aided by favourable market conditions, was the mainstay of our 1987 profits. Results in the downstream sector, on the other hand, declined owing to fierce competition in refining and marketing. Upstream results showed some improvement but it had already been eroded by the collapse in 1986.

The consolidated turnover rose to 424 billion Belgian francs (€6,939,572,000 or \$11,355,762,000). The cash flow was 44.6 billion Belgian francs (€729,147,000 or \$1,193,160,000), compared with 47.2 billion Belgian francs in 1986.

The net yield on shareholders' equity was 17.8%. As at 31 December 1987, our shareholders' equity represented 4 times long term borrowings. The ratio of equity to long-term debt was 3.2 at the end of 1986, and 2.4 as at 31 December 1985.

The Group's capital expenditure in 1987 was 33 billion Belgian francs. Capital expenditure for 1988 is estimated at 38 billion Belgian francs, a large part of which will be invested in Belgium to modernize and expand our industrial infrastructure.

As regards our activities, the three salient features of the year were the successful jacking up of the Ekofisk platform to compensate for sea bed subsidence, the start of water injection in the Ekofisk field to increase ultimate recovery, and utilization of our petrochemical plants to full capacity.

### Financial Highlights (excerpts)

Capital investment for the year in consolidated companies was financed entirely from cash flow. The cost of the jacking up of the Ekofisk platform, which amounted to 4.4 billion Belgian francs, was depreciated in full during the year and is shown in the Depreciation Account in the Consolidated Statement of Income.

Long-term debts total 28.4 billion Belgian francs, 4.6 billion less than in 1986.

Shareholders' equity rose by more than 9.3 billion, to stand at 114.2 billion Belgian francs.

### Appropriation

At the General Meeting on 16 May 1988 the Board proposed the distribution of a dividend, net of withholding tax, of 380 Belgian francs per share as compared with 360 Belgian francs for the previous financial year. Coupon n°1 is payable as from 19 May 1987 at the rate of 380 Belgian francs after tax for ordinary shares and 405 Belgian francs after tax for APV shares.

The English edition of the full Annual Report is available on application to Petrofin House, 1 Ashley Avenue, Epsom, Surrey KT18 5AD.





## INTERNATIONAL COMPANIES AND FINANCE

## Winterthur keeps up its acquisition spree

BY WILLIAM DULLFORCE IN GENEVA

WINTERTHUR, Switzerland's third largest insurance group, is still on the acquisition trail despite several recent purchases, according to Mr Peter Spaeth, its managing director.

More heavily weighted in domestic business than the other big Swiss insurers, Winterthur has the resources to expand internationally, even in high-growth markets where competition is set to sharpen, Mr Spaeth said.

He said the European Community provided 90 per cent of the non-life and 82 per cent of the life insurance markets in Europe.

Last month alone, Winterthur agreed to buy the Intercontinental insurance group in Italy, obtained a majority stake in CIC Holdings of Sydney through North Winterthur, its Australian joint venture, and took over a

small non-life group, Southern Guaranty, in Alabama.

Its biggest recent purchase was the 37.2 per cent share in Nordstern Allgemeine Versicherung, which it negotiated last July and hopes to expand into majority control.

Winterthur posted a 10.3 per cent increase in net profit to SF115.5m (\$51m) for 1987 and is paying an unchanged dividend of SF60 per share and SF12 per participation certificate.

Consolidated gross premium income advanced 6.3 per cent to SF81.1bn, the appreciation of the Swiss franc disguising what would have been a 12.5 per cent climb in local currencies.

Almost 55 per cent of the premiums were generated in Switzerland, about 14 per cent in North America and the rest in Europe.

## KIO unit to buy Swiss biotechnology centre

BY WILLIAM DULLFORCE IN GENEVA

CEL INDUSTRIES, the Canadian group which is 60 per cent owned by the Kuwait Investment Office, is taking over the biotechnology operation of the Battelle Research Centre in Geneva for an undisclosed sum.

Battelle, the world's largest contract research organisation based in Columbus, Ohio, will retain an equity stake in the new business, which is to be named BioCel.

The announcement is of special interest because, compared with its investments in other European countries, KIO has so far kept a low profile in Switzerland.

This was believed to be due to the absence of agreements between the two countries on double taxation and repatriation of profits, as well as the strict Swiss law governing the acquisition of real estate by foreigners.

Earlier this year, however, Swiss and Kuwaiti officials discussed these barriers to Kuwaiti investment. The KIO or the Kuwait Petroleum Company was then reported to be interested in

Peter Marsh examines attempts by a West German chemicals group to react to changes in world markets

## Hoechst aims for a richer management mixture



Gunter Metz: trying to change the old centralised ways

BIG West German companies are commonly thought of as over-centralised, slow-moving and dour. In the past, these terms have certainly fitted Hoechst, one of the big three German chemicals companies.

But if Mr Gunter Metz, Hoechst's deputy chairman, has his way, the adjectives will soon be thrown out for good as descriptions of the way his organisation operates.

According to Mr Metz, a tanned and dapper 53-year-old with a degree in business administration and a background in marketing, Hoechst is trying hard to change its ways. In efforts to react more quickly to changes in the global market place, the company is creating more business units within broad product divisions and giving management in these areas more decision-making powers.

"We are trying to create a global strategy," says Mr Metz. "In the past, Hoechst in Frankfurt has been at the centre, and everything (in the company's subsidiaries) has stemmed from us. We will still be the centre for many things but we will treat the other parts of the company in different ways. You will see more of a decentralised approach as time goes on."

The deputy chairman, who has a reputation for outspokenness

not generally associated with senior German executives, acts as something of a foil to Hoechst's more lugubrious chairman, 58-year-old Mr Wolfgang Hilger. This month, Mr Metz, who has been at Hoechst for 25 years, will have a wider platform for his views, taking over as president of CEFIC, the Brussels-based trade body for the European chemicals industry.

As Mr Metz is the first to admit, the company's spectacular takeover early last year of Celanese, the big US chemicals group, acted as a catalyst for the group's general management rethink.

Mr Metz is widely credited for being one of the main architects of this purchase, along with Mr Juergen Dornann, 48, the company's highly regarded finance director.

In paying \$2.85bn for Celanese, Hoechst greatly added to its North American activities, which in 1987 accounted for 21 per cent of total turnover of DM36.95bn (\$21.4bn) compared with 13 per cent prior to the acquisition. This huge turnover, on which Hoechst made a pre-tax profit last year of DM3.11bn, a 10 per cent increase on 1986, is split between a broad range of chemical products, including both bulk and specialist plastics, agriculturals, fibres, dyestuffs and drugs.

With Celanese lumped in with Hoechst's previous US operations in what is called the Hoechst Celanese Corporation (HCC), the German company is the owner of a megagroup which is the US's fifth biggest chemicals concern.

It would not have been sensible, as Hoechst executives concede, to treat this as just another national subsidiary. Moreover,

Celanese, in its days of independence, had already had a strong decentralised spirit, with different divisions scattered around the US each given broadly autonomous decision-making powers.

After a reshuffling exercise that took up virtually all of last year, Hoechst has installed mainly US management at the top of HCC. "The top people at HCC are given a large amount of control over how they run the business," says Mr Metz. "Our main task (in Frankfurt) is to select the right people to run the company and leave them to get on with the job."

So far, says Mr Metz, the assimilation has been a success. He is cautious enough to point out, however, that Hoechst was fortunate that the takeover took place during a generally good business climate in which chemicals demand in North America, as in most other developed nations, has been strong, putting relatively few strains on the integration process.

Following on from the Celanese purchase, it was only natural to try out some of the ideas regarding decentralised management in other parts of the group. The ideas are still new enough to Hoechst for the deputy chairman to describe them as an experiment.

What he means is the handing out of greater responsibilities in areas such as sales, marketing and research strategies to managers in Hoechst's different divisions such as fibres and plastics.

Moreover, there has been a splintering in these units to create more semi-autonomous entities. For instance, both the plastics and fibres divisions are subdivided into about 10 groups which take decisions over marketing and other matters regarding specific grades of product or application areas.

Mr Metz also says the company has to be quicker to react to changes in customer demand for chemicals. As many other companies have also been quick to notice, demand in recent years has been splintering increasingly to emphasise different types of products in a huge variety of niche areas.

Mr Metz points out, for example, that 10 years ago high-density polyethylene, one of Hoechst's basic products, was sold in just a few grades. Now the number is 50 to 60, the particular type being sold depending on a specific application in industries as varied as construction, cars, industrial goods and toys.

In the area of research and development, where Hoechst spends DM2.2bn a year, half of

this on pharmaceuticals, Mr Metz says the company must continue this trend towards fast reactions.

"We must be quicker to shift our priorities, possibly stopping research projects earlier than we would have done in the past. Our research people will have to be more profit-orientated."

Now it has dipped its toe in the waters of megascale international takeovers, Hoechst is thought likely to continue to build up the overseas part of its business. Last year, German sales accounted for only about a quarter of turnover compared with 29 per cent the year before.

Mr Metz says the group will be looking increasingly for joint ventures with companies in other parts of the world, particularly in Japan, where Hoechst, in common with many other European chemicals concerns, is relatively weak.

As a first step towards building up its activities, Hoechst is considering adding a materials-research capability to its existing drug research and development centre in Japan. Showing just a trace of the traditional German dourness which, in many of the areas of running the company, they are trying hard to leave behind, Hoechst executives are, however, not too keen to give details of the company's plans on this score.

## Nat-Ned ahead after turnaround

By Laura Rasmussen in Amsterdam

NATIONALE-NEDERLANDEN, the largest Dutch insurance group, said net profits climbed in the first quarter because of a dramatic turnaround in lines other than life insurance.

Net profits rose 9 per cent to F112m (\$66.6m) in the January to March period from F117m a year earlier.

Non-life insurance moved into the black with a small F1 300,000 profit compared with losses of F1 87m in the first quarter of 1987, although motor, accident and sickness lines remained in the red.

## Trelleborg lifts profits sharply after strong demand

BY ROBERT TAYLOR, NORDIC CORRESPONDENT, IN STOCKHOLM

TRELLEBORG, the Swedish industrial group with interests in rubber, plastics, mining and chemicals, reported a 101 per cent increase in profits (after financial items) for the first four months compared with the same period of last year.

The company announced that profits had risen from SKr303m to SKr620m (\$104.2m) as a result of an acquisition and strong demand through most of its product range.

Consequently, the company said it had revised its profits

increase forecast for the whole of 1988 upwards by as much as 70 per cent compared with last year's performance.

Now estimates profits will reach SKr1.5bn instead of SKr1.2bn as first predicted. Turnover in the first four

months totalled SKr6.6bn compared with SKr5.1bn for the same period of 1987.

Last year's success at Trelleborg was due almost entirely to the acquisition of Boliden, the Swedish metals and mining, chemicals and trading concern.

## Pernod acquires Yoo-Hoo Industries

PERNOD RICARD, the French drinks group, has acquired Yoo-Hoo Industries, a privately-owned US group which produces chocolate drinks, writes Our Financial Staff.

Pernod said the deal was via Austin Nichols, its US unit

## Stena steams towards the bourse

## Sara Webb on the Swedish ferry group's plans to raise new capital

STENA LINE, the Swedish passenger ferry group which plies the routes between the Nordic countries, plans to raise about SKr700m (\$117m) in new capital from the stock market this summer in order to expand in the ferry and hotel business.

At the moment, Stena Line is wholly-owned by Stena, a family company with interests in the tanker and bulk carrier business as well as the offshore and real estate sectors.

The stock market issue, however, would place 50 per cent of the capital and 25 per cent of the voting power in the hands of employees, institutions and private investors while leaving Stena as the majority owner.

Mr Lars-Erik Ottosson, chief executive officer of Stena Line, believes the issue would achieve two things. First, the money raised would help to cover the substantial investments in ferries and hotels made in the past 18 months. Secondly, it would mean that in future Stena Line could channel more of its profits into expanding its business areas.

Mr Ottosson says: "In the past, Stena Line has had to give 90 per cent of its profit to the mother company (Stena), but now we should be able to invest about SKr300m every year." He points out that much of the profits of the ferry business had been diverted into the parent company's unprofitable offshore operations, which consist of an oil rig and subsea support vessels.

At present, Stena Line faces little competition on its main routes (its chief competitors are Larvik, Fred Olsen and Dannebrog) and is optimistic about the growth of the leisure and conference industry. It is fairly common practice for Swedish companies to offer their employees a mini-break away from the office in the guise of a conference session.

One analyst says: "It is one of the few non-taxable employee perks a company can offer with the added advantage of allowing employees to buy duty-free goods."

However, there are two potential black clouds on the horizon for the ferry business. One is the proposed Oresund road-and-rail bridge, which would link the southern Swedish city of Malmö and Copenhagen, the Danish capital. It could also steal a significant chunk of the passenger and freight business from Stena Line.

The second problem concerns tax-free sales, which at present account for 20 per cent of Stena Line's turnover.

The high alcohol prices in Sweden mean that the duty-free shops on ferries only need to reduce prices by 10 per cent to make them attractive to customers while still ensuring high margins.

However, many analysts question whether this advantage will remain after 1992 if the Common Market goes ahead with plans to abolish tax-free sales. For the ferries, it could spell the end to an important money-spinner.

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For the interest period 31st May, 1988 to 31st August, 1988 the Notes will carry an interest rate of 6.7944% per annum with a coupon amount of U.S. \$173.63 per U.S. \$10,000 Note, payable on 31st August, 1988.

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**World Shipping & Ports**  
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**FINANCIAL TIMES**  
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Interest Payment Date 31st August 1988  
Interest Rate 8.00%  
Interest Period 31st August 1988 to 31st November 1988  
Interest Payment Date 31st November 1988

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All of these securities have been sold. This announcement appears only as a matter of record.

May 24, 1988

**5,000,000 Shares**

**Freeport-McMoRan Copper Company, Inc.**

**Class A Common Stock**

**International Offering**

**1,250,000 Shares**

**Kidder, Peabody International**

BNP Capital Markets  
Credit Suisse First Boston  
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Cazenove & Co.  
Daiva Europe  
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**United States Offering**

**3,750,000 Shares**

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Wood Gundy Corp.  
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First of Michigan Corporation  
Ladenburg, Thalmann & Co. Inc.  
Stephens Inc.  
Tucker, Anthony & R. L. Day, Inc.  
Goldsmith & Harris  
Lovett Mitchell Webb & Garrison  
Raffensperger, Hughes & Co.



# Investment

## Some coins more equal than others

LONDON, 1 June. The multitude of coins available today places many a novice in a quandary. They are offered in all sizes and designs, and at all price levels through ads or at banks or coin dealers.

Caveat emptor. Not all that glitters is a coin. Basically, there are five different types.

**1. Bullion Investment Coins.** Gold bullion investment coins are sold solely for the intrinsic value of the precious metal. They are produced in large numbers by major gold producing countries, such as Canada, Australia and U.S., thus are traded at a small premium over the actual price of the metal. As they are a pure investment vehicle, like gold bars, they have no numismatic value. They are favored over gold bars by investors as a store value, as they are more transportable and easier to trade. The value is easy to keep track of, as their price is based upon the daily fixing of gold.

**2. Numismatic Coins.** In general, these are coins which are bought by collectors for their beauty, as opposed to the value of their precious metal content. However, a truer definition would include those coins struck prior to 1804. The price has no relation whatsoever to the actual value of the metal. The factors determining the price of a coin are rarity, age, and condition or quality of the striking.

**3. Semi-numismatic Coins.** These are coins that were struck after 1804, however prior to 1850. The same criteria as those used with numismatic coins are used in determining their value. The buying and selling of one of these coins is, however, easier since they are available in greater quantities than those struck prior to 1804.

**4. Current Coins.** Current coins are those struck after 1850 and were in circulation during the time of the gold standard. There are still large quantities of these coins available today. The price is related to their gold content plus a fairly high agio.

The collecting of numismatic and semi-numismatic coins can also be considered a form of investing, however usually it is merely a rather expensive hobby. Current coins fall into a category between hobby and investment, since they also maintain a value, even if the price of precious metals should fall.

**5. Medallions.** Medallions, like coins, are considered an investment at some anniversaries, value in and they usually are a good investment.

## Gold Maple Leaf makes a breakthrough

World's gold coin standard / Grows in popularity / Even attractive for small investor.

OTTAWA, 1 June. Gold, prized as a store of wealth over the ages, has not lost its shine even in the age of high technology and cashless transactions. This has been felt recently by the Royal Canadian Mint. According to a spokesman for the Mint, demand for the Gold Maple Leaf, the Canadian gold bullion coin which is struck in four sizes, has recently been brisk. Observers of the financial world contribute this to various factors. The primary reason is felt to be its universal recognition which ensures ease of trading wherever gold is sold around the world. Of almost equal importance is its unusual purity of .9999 or 24-carat. Most other gold coins rarely exceed .916 or 22-carat, the purity of the South African Kruggerand (which is no longer being produced).

A further aspect is that the Gold Maple Leaf is legal tender in a country known for political stability and for being a dependable trading partner. Since the coin is easily convertible currency, it is sold in most countries free of a value added tax. This is true in Luxembourg, Switzerland and Austria, while a minimal tax is charged in Belgium (1%) and Holland (4%).

Since the Gold Maple Leaf is struck in four sizes, it is able to satisfy the varying needs of all investors. It is available in full troy ounce of pure gold, 1/2 ounce, 1/4 ounce and 1/10 ounce of pure gold.

the benefits of owning gold. The Gold Maple Leaf, which has been available since 1979, is produced only from gold mined in Canada.

This accounts for its unusual yellow color compared to coins mixed with alloys. The use of Canadian gold is a requirement of the charter of the Royal Canadian Mint and it serves to support the Canadian mining industry. Gold was first discovered in Canada in 1858 and has been continually mined ever since. Canada is currently the third largest producer of gold in the world.

This objective is clearly being fulfilled, as indicated by sales results of the Canadian coin. Since its introduction in 1979, over 11 million Gold Maple Leaf coins - that's over 300 tons! - have been sold around the globe. The biggest jump came in 1985, when sales doubled. This was caused by a favorable price of the precious metal and an increasing interest in this bullion investment coin, following the demise of the South African coin.

Why do more and more investors prefer bullion coins to its cousin, the gold bar, or wafer as it is sometimes called? One key reason is their liquidity - a coin enjoys universal recognition and can't be counterfeited. Gold bars may enjoy a solid reputation in their local market, however usually require a bulky and time-consuming assay in other parts of the world. Gold bullion coins are accepted by governments, which is a security and weight advantage.

respect, the Royal Canadian Mint is especially strict. Although the purity of each Gold Maple Leaf is given as .9999, it is actually closer to .99995. The weight on each coin is strictly controlled, with the weight struck on the coin being a minimum guaranteed by the Government of Canada. Independent tests have even shown that the coins are all above the minimum, showing that the Royal Canadian Mint gives a little gold away to ensure they meet the guarantee. No other coin has yet to show similar results.

It is fair to point out that a gold coin, and a bar for that matter, provides the owner with no interest. However, it can be still considered an investment instrument, but for other reasons. This is because it is a speculative object. But, more significantly, gold has been proven over time to be the surest store of value. Gold bullion coins will not multiply but, as the saying goes, they bring peace of mind. They can anchor a portfolio that is made up primarily of more speculative instruments, as they will gain in value when others are losing theirs. Inflation and economic crisis only eat up other investments, while feeding the value of gold. That's why most experts agree that 10 to 20% of a portfolio must be in gold. An ideal way to keep this golden rule with Gold Maple Leaf bullion.

With no guarantee of the future economy, it is comforting to have a security and weight advantage.

## Investment can also be beautiful

FRANKFURT, 1 June. The Royal Canadian Mint created not only a major bullion investment coin, but also a coin recognized and appreciated around the world for its beauty. Although this is not the main criteria in choosing an investment instrument, many find added value in the quality of the design and striking.

As with all Canadian currency, the front depicts the effigy of Queen Elizabeth II, reflecting the historical relationship with England. The reverse side shows the symbol of Canada, a maple leaf, which has been captured to perfection by the engraver.

Prominently displayed are also the key facts about the coin, such as its origin; value (either \$50 Cdn, \$25 Cdn, \$10 Cdn or \$5 Cdn); weight (either 1, 1/2, 1/4, or 1/10 ounce); purity - .9999; and date of striking. The first coin was struck in 1979.

## Success doesn't always travel

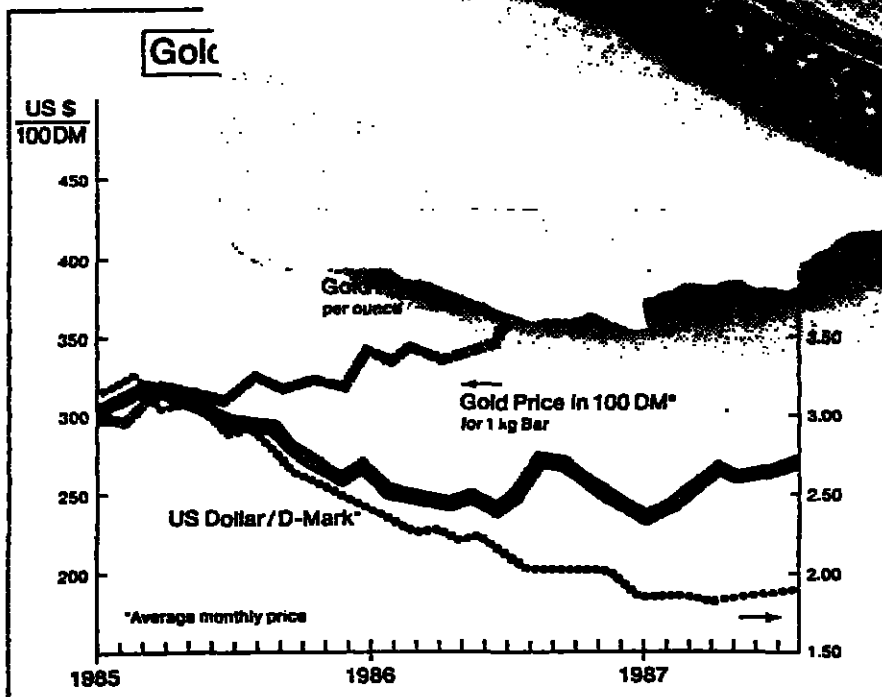
FRANKFURT, 1 June. Anonymous sources in banking circles in Frankfurt, Germany and London indicate that gold does not enjoy the same level of popularity in Europe as they do in their own markets. The European investor tends to favor more traditional products, such as small bars or established Gold Maple Leaf coins. Experts say that less popular coins do not enjoy the same liquidity as the popular coins.

## Is in

NEW YORK. Problems in the United States, including the health of the question if this or are more closing, resulting, all their customers, point to similarities to the crash of '29, just have arguments to point out different. This adds to the uncertainty that surrounds a safe haven before it is lost to failure.

All paper instruments or securities, are situations caused by control of financial government bodies. Money out that precious metals, gold, offer the ideal store of value is intrinsic and not that of paper money.

Gold is international to the fortunes of any banking system. It can bring a sense of security, as it is insurance policy a would come in a t



## Cavelti "Time-proven investment"

Since the price of gold was freed in 1970 to move with market forces, it has risen to new heights, and fallen just as often.

Precious metal and finance experts continually try to analyze the price development. But, the gold metal remains unpredictable. Rising or falling dollar exchange rates, wars, and financial crises are no longer a guarantee for a rise in the price of gold.

The peak in the price of gold was reached at \$850 for one ounce in 1980. Currently, the price ranges between \$400 and \$500. In spite of this, invest-

ment advisors recommend to follow the golden rule - hold ten to fifteen percent of an investment portfolio in gold.

The reason is simple, explains Peter C. Cavelti, President and Chief Executive Officer of Cavelti Capital Management Ltd. in Toronto, Canada, and an internationally recognized expert on precious metals: "Gold is an unbeatable investment vehicle that protects prosperity at all times, even during crisis." Cavelti has banking experience in U.S., Africa and Asia and belongs today to the most sought-after precious metal advisors.

belongs today, according to recommendation of most banks and experts, in every individual portfolio. The question is, best way to own gold?

The choice between bullion coins, bars, certificates or a precious metal account depends upon the wants and needs of the individual investor. In addition, such aspects to consider are the availability of gold, the possibilities for resale and also personal taste of the ultimate owner.

**Weight and Purity.** Traditionally, the gold trade has dealt in troy ounces - one troy ounce equals 31.1035 grams. Today, however, the metric weight system is also accepted and used, thus gold is available in grams, kilos and tons.

Of particular importance is the purity or fineness of the gold. With small bars, or wafers as they are sometimes called, and the leading bullion coins, such as the Gold Maple Leaf, a purity of .9999 is normal. This means that the given piece contains no more than one ten thousandth of foreign matter. However, it really means that a greater purity is not possible nor really necessary.

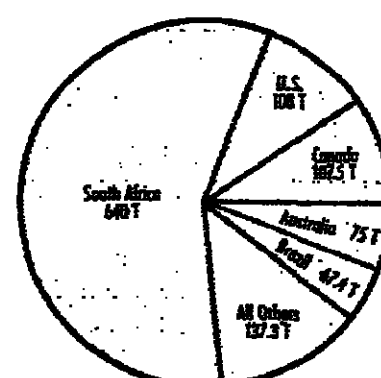
**Coins - solid and liquid.** One differentiates, more or less, between numismatic coins and newly minted coins, or the so-called bullion investment coins. Nu-

most bullion coins enjoy international recognition and cannot be counterfeited. They can be exchanged for cash on demand most anywhere in the world where gold is traded. This contrasts to gold bars, which have been known to be counterfeited, thus usually require an assay to determine their purity. This is not only costly for the seller, but also takes time and requires formalities. The price of the leading coins can be found in the financial pages of most major newspapers. Or it can be determined from the daily fixing of gold. Many countries impose a sales tax on gold coins, as well as bars.

**Bars - familiar but not universally recognized.** The majority of bars sold today range from 1 gram up to 12.5 kilograms. The small bars are produced at a purity of .9999 fine gold. The trade accepts only bars from a reputable refinery which have a serial number. When there is

**Gold Certificates - Paper as good as gold.** The advantage of this form of investment in gold is that no tax is levied on the ownership of gold. The precious metal remains in the possession of a bank, which usually maintains this in a no-tax area. The disadvantage is that there is usually a minimum purchase amount, that varies from bank to bank - for example 10 Gold Maple Leafs or 500 gram bars - which makes this form unattractive for small investors. Another factor is that one doesn't have possession of the gold, which reduces some of the psychological benefit of owning gold.

1986 Non-Communist Gold Production



Source: Consolidated Gold Fields

## and downs of gold coin

OTTAWA, 1 June. Leading experts point to the alarming statistic that 1% of the U.S. households own 35% of the assets. This situation in the late 20's, led to the current over-extended market. The result is a heavy reliance placed upon the financial institutions. Parallel to this is the increasing interest in speculation among the moneyed few, forcing the stock market to test its limits daily.

## Gold production up

OTTAWA, 1 June. With a yearly production of over 100 tons (107 tons in 1986), Canada is third largest producer of gold in the non-communist world.

The first discovery was made in 1858 at Cariboo, British Columbia. Today, forty-one mines produce the majority of this precious yellow metal. However, prospectors still roam the backwoods, searching for the hidden lode and dreamed-of riches.

The greatest amount of gold is mined in Ontario. Recent discoveries in the region around Hemlo made headlines around the world and boosted share prices. The main reason for the jump was the revised estimate of the gold reserve in this area: before the discovery reserves were felt to be around 130,000 ounces - today they are known to be closer to 17 million fine ounces of pure Canadian gold. Enough to keep the Royal Canadian Mint busy striking Gold Maple coins to meet the needs of investors around the world.







## UK COMPANY NEWS

## Carlton advances 59% to £21.2m

BY CLAY HARRIS

A CONTRIBUTION OF £3.1m from Carlton Communications' 20 per cent stake in Central Independent Television helped Britain's largest independent television services company to increase interim pre-tax profits by 59 per cent from £13.3m to £21.2m.

Carlton's own trading profit nearly matched the overall advance, with a 58 per cent rise to £16.4m (£10.4m) in the six months to March 31. On earnings per share 35 per cent higher at 18.31p (13.6p), the interim dividend is raised by 40 per cent to 2.45p (1.75p).

Mr Michael Green, chairman and chief executive, said Carlton had substantially increased its activity in independent programming since the beginning of the

year, as UK television companies became more accustomed to contracting out programming.

The company had maintained its position as market leader in the provision of state-of-the-art video post-production facilities and was the only company in London capable of offering wholly digital editing facilities.

Carlton was in a strong position to benefit from the loosening of the historically tight regulations governing broadcasting in the UK and Europe, Mr Green said. He also welcomed the Independent Broadcasting Authority's support for a fifth terrestrial channel in the UK.

On the hardware side, Carlton reported strong demand, especially from US networks, for its

Abeles range of digital editing and special effects products.

From £40.3m in the comparable half, turnover rose to £108.4m including a proportionate share of Central's turnover, or £25.1m excluding it. Carlson posted a tax rate of 37 per cent for the current year, against 35 per cent in 1986-87.

The Central stake was responsible for nearly two-thirds of a £2.9m extraordinary charge, reflecting the Midlands ITV franchise-holder's write-down of its investment in Superchannel, the satellite broadcast venture.

Carlton itself made a £1m provision for the closure of SkyScan, a satellite-dish subsidiary.

See L2x



Michael Green - Increase in independent programming

## Crowther holders stay by Coloroll

By Alice Rawsthorn

FEWER THAN 0.5 per cent of John Crowther Group shareholders have withdrawn their acceptances for Coloroll's £215m bid in favour of the competing offer from Thomas Robinson.

Crowther shareholders have been able to withdraw their acceptances since 3pm on Friday. So far acceptances representing only 545,515, or 0.46 per cent of Crowther's equity, have been withdrawn.

The bulk of these withdrawals were made on Tuesday. Acceptances for just 121,815 Crowther shares were withdrawn yesterday.

This means that Coloroll, which is advised by S.C. Warburg, still claims control of nearly 46 per cent of Crowther's equity. By the time the home furnishing group's offer reached its third closing date Coloroll had received acceptances for almost 31 per cent of Crowther. It already owns 14.9 per cent.

Crowther's shares fell 2p to 182p yesterday, while Coloroll's were unchanged at 183p. Robinson, which is mounting a £226m counterbid, saw its shares rise 8p to 335p. The Coloroll bid reaches its fourth closing date on Friday.

The Takeover Panel is today expected to complete its investigation into Coloroll's proposed compensation payments to members of the Crowther board.

## Plysu moves up 20% to £6.51m

BY ANDREW HILL

Plysu, manufacturer of plastic containers and houseware, increased taxable profits by 20 per cent to £6.51m in the year to March 31, against £5.41m in 1986-87.

Turnover rose 25 per cent to £46.8m (£37.5m) and earnings per share grew from 8.1p to 9.9p.

Plysu spent some £12.9m expanding production capacity during the year, £5.58m of which was funded from borrowings and the rest from cash flow. This compares with £7m of capital expenditure in the previous year. Mr James Summerlin, chairman, said Plysu would continue to invest this year, though not as heavily as in 1987-88.

Raw material prices rose between 40 and 50 per cent during the year and high density polyethylene was in short supply. However, demand for most containers - especially lightweight milk and juice bottles - remained strong, said the company.

After a slow start, the new Lit-

leborough factory had begun to contribute well during the last months of the financial year, Mr Summerlin said. Margins improved at Plysu's Dutch container manufacturer following the introduction of a new product mix.

Interest payable was £247,000, against £172,000 of interest received in the previous year.

Housewares turnover - which represents about 17 per cent of group sales - rose 30 per cent in the second half of the year.

The Newport Pagnell factory is almost complete and is already producing Plysu's Multiguard containers for agricultural use. The group is also rebuilding a large part of its factory in Holland to improve efficiency there.

An increased final dividend of 1.65p is recommended, making 2.3p (1.83p) for the year.

ies, it seems as though capital expenditure of nearly £20m over the past two years is beginning to pay off. The rapid expansion programme may be slowing down but Mr Summerlin is convinced he can squeeze even better performances from the existing manufacturing units. The Multiguard range of barrier containers, in which traditional polyethylene is protected by a nylon coating so that corrosive chemicals, like pesticides, can be packaged, is still to be fully exploited. Housewares is also expanding, with a new factory planned for a six-acre site near Bedford; this in turn should create space for increased container production at the central Buckinghamshire plant. If Plysu avoids the worst effects of the rising price of raw materials - the only shadow over continuing growth - then the company could make £8m in 1987-88. The shares rose 3p to 158p yesterday and look attractive on a prospective p/e of about 13.

## comment

Difficult as it is to keep track of Plysu's growing fleet of factor-

## Hickson purchase will double US sales

BY CLAY HARRIS

Hickson International, chemicals and building protection group, is to pay \$24m (£13.11m) in cash for an 81 per cent interest in Kerley, an Arizona manufacturer of sulphur-based agricultural and mining chemicals.

The acquisition will more than double Hickson's US sales, which accounted for less than 10 per

cent of the group total last year. It also takes Hickson's inorganic chemicals division into new applications for sulphur products.

In 1987, Kerley reported pre-tax and pre-interest profits of \$7.25m on sales of \$42.2m. Although the group's profits record had been erratic in recent years, Hickson

believes the 1987 result is a reasonable guide to underlying performance.

Kerley spent several years with Sundance Oil before the present owner bought it out again.

The purchase is expected to double Hickson's gearing to about 36 per cent.

## LIT named as the suitor for JGIT

By Nikki Tait

LIT Holdings, the former London Investment Trust which is now a London-based futures and options brokerage, yesterday emerged as the suitor for Jersey General Investment Trust.

LIT is offering cash equivalent to form an asset value for each JGIT ordinary share, and 100p in cash for each preference share. The trust announced last week that it had received an approach.

The formula asset value will not be determined until the offer, which is recommended by the trust's board, goes unconditional.

However, on the basis of an unaudited net asset value calculation of 488p at end-April, LIT estimates that fav would be around £20p - effectively some 106 per cent of nav. The combined preference and ordinary offers value JGIT at around £60m.

The offer is being financed from LIT's existing cash resources and through bank borrowings.

Jersey General, founded in 1931, is unusual in that it is registered in the Channel Islands and still has a high proportion of Jersey residents as private shareholders. Institutional involvement is relatively small.

Yesterday, LIT said that it expected JGIT to continue operating as an investment company if the bid succeeds. The present equity portfolio will be transferred to a portfolio of short and medium-term financial instruments, including gilts, and the intention is also to make acquisitions in the financial services sector.

LIT, itself, has seen a new management team moved in recently, including chief executive Mr Michael Middlemas and non-executive chairman Mr John Bots, the former Citicorp executive. Last month, it acquired Goldberg, a Chicago-based brokerage firm.

Yesterday, Mr Middlemas suggested that the question of whether the listing is kept, assuming the bid is successful, might depend on the level of acceptances. There is no mechanism for mopping up minorities in Jersey.

He also suggested that if a large minority remained, LIT might consider the provision of a separate on-going Jersey-based investment trust vehicle, possibly by some sort of demerger scheme. However, he stressed that this was only an idea, not a firm plan.

Jersey General shares rose 37p yesterday, to 505p.

## Radius makes software bid

Radius, USM-quoted computer systems and maintenance group, is making a recommended £4.33m offer for MGB, a private software house.

In the 15 months to December 31 1987, MGB made pre-tax profits of £632,000 on turnover of £3.63m. The consideration will be satisfied by shares, valued at a fixed price of 118p, with a cash alternative at the same level.

## Drayton Japan Trust

Drayton Japan Trust had a net asset value of £10.3822 on May 27 1988 before deduction of the estimated expenses of the proposed re-organisation. At that date, about 54.6 per cent of the company's assets were in liquid investments of which 27.5 per cent were in sterling and 27 per cent in yen.

## Peek acceptances

Peek, which stores and handles grain and animal feeds, has received acceptances for its offer for the entire issued ordinary share capital of Dublin International in respect of 24.96m (£3.88 per cent) Dublin ordinary.

**the Leeds**  
LETTERPROMPTER & RECORDING

£50,000,000

Subordinated Floating Rate Notes Due 1998

Interest Rate: 8.95% per annum

Interest Period: 31 May, 1988 to 30 November, 1988

Interest Amount per £500,000 Note due 30 November, 1988: £22,375

Agent Bank: Baring Brothers & Co., Limited

## MEPC rises to £48.7m aided by Oldham Estate contribution

BY ANDREW HILL

THE £428m acquisition of Oldham Estate last year helped increase MEPC's interim profits by 50 per cent. The property investment group made £48.7m before tax in the six months to March 31, compared with £32.5m in the equivalent period.

Net income from properties grew to £71m (£48.8m) as MEPC benefited from rent reviews, lease renewals and rental income on recently completed developments. Financing costs also rose 49 per cent to £23.6m (£21.9m).

Shopping centres completed last year in Leamington Spa and Sheffield, and London office buildings in Liverpool Street and Farringdon Road were among the major contributors.

The company said overseas subsidiaries also showed good rental growth, especially in Europe and Australia, which together account for about 18 per cent of gross rental income.

A substantial proportion of vacant space in the Oldham port-

folio had now been leased, promising further increases in rental income.

The policy of improving the quality of the portfolio would continue, MEPC said, and substantial refurbishment expenditure was already committed. The budget proposal to rebase capital gains tax on 1982 rather than 1965 values would allow the company to dispose of older properties if this was considered worthwhile.

Four UK developments had begun so far this year, and six more were planned to start before the year-end, at a total cost of about £150m.

Earnings per share increased from 9.1p to 10.2p in the first half. An interim dividend of 3.5p (3.25p) has been declared.

## comment

The City expressed only muted interest in MEPC's interim fig-

ures, preferring to look forward to the end of the year and the prospect of pre-tax profits topping £100m. The addition of Oldham has reduced overseas exposure and added some longer term redevelopment projects to a portfolio already strong in the office and retail sectors. MEPC does not publish a net asset value at the half-way stage, but analysts estimate it at about 613p per share; yesterday the shares fell from 567p to 561p, an 8.5 per cent discount to nav, almost exactly in line with other property investment groups. A nav of about 670p per share is forecast for the full year. Pessimists prophesying an end to the property boom might be losing sleep over the company's commitment to City office developments - principally the 380,000 sq ft Alban Gate building on London Wall, due for completion in mid-1990 - but otherwise the shares look a solid, if uninteresting bet on a prospective p/e of about 26.

## P and S nearly doubles profit

BY VANESSA HOULDER

Portsmouth and Sunderland Newspapers, printing, publishing and retailing group, increased pre-tax profits from £2.3m to £4.4m, on turnover up from £49.9m to £63.3m in the 53 weeks to April 2 1988. Adjusted to a 52-week basis, profits increased by 81 per cent and turnover by 24 per cent.

Mr Charles Brims, chief executive, said it had been a very successful year and the outlook for the present year was good.

Higher newspaper prices brought £1m in additional costs, but had been offset by reduced overheads and improved advertising revenues. Advertising, which contributed 42 per cent of overall revenue, grew by 21 per cent after adjustments for inflation, compared with an average of 16 per cent for the industry.

Newspaper sales were firm due to increased resources for editorial content and style. The Croydon Advertiser Group, acquired in 1983, moved into significant profit following four years of

rationalisation. There had also been a substantial growth in contract printing revenue.

The retailing subsidiary, Portsmouth News Shops, showed significant profit growth. Its One Stop convenience stores, now contribute about 10 per cent of group pre-tax profits. It is planned to double the rate of openings to ten a year.

An extraordinary charge of £369,000 was due to the withdrawal from the Weekly Courier and Leisure Newspapers and a reduction in the group's share of Croydon Cable TV, offset by the release of provisions relating to last year's business reorganisation.

Earnings per share increased by 70 per cent on a restated basis to 21.4p. A final dividend of 4.07p (3.3p) is recommended, increasing the total for the year by 20 per cent to 5.25p (4.4p).

## comment

After the spectacular advances

of the past two years - 52 per cent and 81 per cent respectively - prospects for this year may seem a bit tame. Growth in advertising revenues is unlikely to keep up its breakneck pace and the company has no more turnarounds, such as that of the Croydon Advertiser, up its sleeve. Moreover, there is uncertainty over its contract printing - The Guardian and Observer are transferring to the London Docklands, although notice agreements will largely protect profits in the coming year. Looking ahead though, Portsmouth may generate some fresh excitement. For one thing, it plans to buy a neighbouring regional newspaper operation. For another, it is stepping up the expansion of its convenience stores, which it hopes could contribute 35 per cent of profits in five years' time. Assuming that the company makes profits of £5.25m this year, the shares, up 4p to 265p, are on a prospective multiple of 10.

## Telfos reveals 24.58% Runciman stake

BY CLAY HARRIS

SHARES IN Walter Runciman, the shipping, securities and insurance group, rose 29p to 315p yesterday, Telfos Holdings, a manufacturer of non-ferrous rods and diesel locomotives, unveiled a 24.58 per cent stake.

A meeting on Tuesday night between Mr Gary Runciman, Runciman chairman, and Mr Jon Mallins, Telfos chief executive, was described by both sides as "inconclusive".

Officially, Telfos has described the stake - raised in two jumps from 4.9 per cent since early last week - as an investment. It is believed, however, that Telfos

may be considering putting forward propositions for "co-operation".

In 1987, Runciman reported pre-tax profits of £2.94m on turnover of £37.7m, compared with Telfos' profits of £1.72m on sales of £10.8m. The two companies are close in size, with market capitalisations of £28.5m and £27.9m.

Mr Mallins, the Swedish banker, said it had bought a 12.7 per cent stake in House Property Company of London, development and investment group. The stake is registered with Gamelstaden Nominees, and HPCL said it was considering inquiring

about beneficial ownership under Section 222 of the Companies Act.

Mr Robert Baldock, the Australian investor who has been chairman of HPCL since January, controls a similar sized holding through a company called Swifts-Perdon.

Mr Hey & Croft, USM-quoted housebuilder, said North East Essex Building Company, a private housebuilder, had built up a 7.49 per cent stake.

Mr Hartwell, Oxford-based motor distributor and property developer, said Cresscombe had raised its holding from 6.17 per cent to 10.75 per cent.

## Associated British Foods

## From the Chairman's Statement:

The 11.5 per cent increase in the profits achieved during the year by our operating divisions must be considered satisfactory given the adverse effect on our manufacturing division of volatile commodity prices and the strength of sterling at the year end on our overseas earnings.

A heavy capital investment programme has been maintained to preserve and improve our position in the very competitive markets in which we operate. This programme, and the consequent increase in reorganisation and other costs, affected margins in

certain of our operating divisions during the year but has resulted in improved product efficiency and a better ability to serve customers at home and abroad.

Investment income earned by the group was marginally below budget reflecting lower average interest rates during the year and the company's substantial equity investments. However, a year which saw equity markets around the world decline by up to 40 per cent in a matter of days puts this result in its correct perspective.

G. H. Weston

## SUMMARY OF RESULTS

	1988 £ millions	1987 £ millions
Turnover	2,272.0	2,202.0
Trading surplus	133.9	120.1
Investment income	82.2	70.5
Profit before tax	210.4	190.5
Profit attributable to the company	136.5	124.2
Ordinary Shareholders' funds	1,530.6	1,477.1
Earnings per share	30.5p	30.3p
Dividend per share	8.3p	7.3p

Associated British Foods plc  
Weston Centre, 68 Knightsbridge, London SW1X 7LR

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JPMorgan

January, 1988

## UK COMPANY NEWS

## Giltvote emerges victor in the battle for EPIC

BY NIKKI TAIT

THE LONG-running bid battle over Estates Property Investment Company has ended in victory for Giltvote, the newly formed consortium headed by Mr. Stephen Wingate.

Giltvote announced yesterday that it now controlled 56.5 per cent of EPIC's shares - with acceptances accounting for 30.8 per cent, and yesterday was "day 60" of the £87.3m recommended bid, beyond which it could not be extended.

Rival bidder, Peachey Property, finished with control of 33.3

per cent of EPIC - effectively, its own stake in the company. Its lower £53.4m offer has, therefore, lapsed. Peachey launched its first offer for EPIC back in January.

However, the battle may not be entirely over. Yesterday, Peachey's advisers, S.G. Warburton, said that the company stood by consistent statements during the bid battle that it was prepared to remain a minority shareholder if necessary.

They added that there had been no formal discussions either at company or adviser level with

Giltvote, and none were currently planned. But they conceded that - from Peachey's point of view - some division of the EPIC portfolio might be a possible solution to the situation.

The Giltvote camp, however, said it felt no immediate pressure from the Peachey shareholding, and that it was quite happy to run the portfolio, regardless of Peachey's decision.

Giltvote's advisers, County NatWest, declined to comment on the suggestion of a possible division of the portfolio.

## US Senator questions BAT's suitability to take Farmers

BY LOUISE KENOE IN SAN FRANCISCO

IN A significant escalation of political opposition to BAT's \$4.5 bn (£2.48bn) bid to acquire Farmers Group, the US insurance company, US Senator, Mr. Alan Cranston, has called upon the California Department of Insurance Commissioner to give "careful consideration" to social issues during public hearings to determine whether BAT is a "suitable" owner of the Los Angeles-based insurance firm.

BAT's links with South Africa and its role as one of the largest

tobacco producers have already been the target of attack by Californian state legislators. Senator Cranston's support for the growing anti-takeover campaign is however seen as a significant blow for BAT.

"I share the strong concerns which have been expressed by a number of other elected officials that approval of the takeover of this American company by a foreign conglomerate with extensive and expanding activities in South Africa, and a publicly-announced intention to halt the dissemination

of material regarding the health hazards of smoking, would not be in the best interests of the citizens of California", Senator Cranston said in a letter to the insurance commissioner.

The outcome of the California Insurance Commission hearings could be crucial in determining the outcome of the BAT bid because California is by far the largest market served by Farmers. Without the approval of the state's insurance commission, BAT would not be able to sell insurance in California.

## Process losses increase

BY CLARE PEARSON

Process Systems, the US electronic systems manufacturer which has a London listing, may be taken over by Scana Corporation, the US diversified holding company. Scana's principal subsidiary is an electrical utility.

Scana said yesterday it was exploring the possibility of an agreed bid.

A decision is to be taken by June 17.

At the same time as Process Systems announced pre-tax losses for 1987 almost doubled from \$5.91m to \$11.06m (£6.03m).

The increase in losses arose from a \$2.09m provision for inventory obsolescence, and a \$3.52m write-down of capitalised

software.

This arose from the 1988 acquisition of MDA, the data processing equipment company.

However, the company's total revenues increased from \$12.3m to \$14.5m during the year.

This, combined with an increase in gross margins, resulted in operating losses \$500,000 lower at \$5.42m.

Scana has 2½ weeks to carry out due diligence investigations, before deciding whether to bid at a price which will be not greater than 25 cents per share.

This would value Process at \$12m.

Directors of Process Systems who own 41 per cent of the

shares have pledged to vote in favour.

Scana said the merger would make industrial sense since one of Process Systems' main businesses is the supply of instrumentation to electrical utilities.

Process Systems, which is not paying a dividend for the last financial year, said its programme of cost reductions was taking longer to implement than it had anticipated.

It expected overheads would now be reduced at a rate of \$1.8m per annum.

The company is advised in London by J. Henry Schroder Wagg.

## Tarmac sells SA interests for £7m

By Clay Harris

Tarmac, construction and property development group, has sold all its South African interests for £7m. The buyer is South African, but Tarmac refused last night to identify it other than to describe it as a "company of high standing."

Sir Eric Pomtains, chairman, said the disposal, which followed an approach made to Tarmac, would safeguard "as far as possible, the livelihoods of our employees". Until the approach, Tarmac had intended to maintain the business as a going concern, he said.

The sale price, which was the figure asked by Tarmac, exceeds the book value of the assets involved in the subsidiary, a quarry products company. Tarmac has never given details of the offshoot's sales and profits.

The disposal should guarantee a quieter time for Tarmac at next week's annual meeting. Although Tarmac has faced shareholders' questions about its South African activities at previous meetings, it has not seen anti-apartheid protests on the scale encountered by the conglomerate BTR last month. Tarmac said the announcement of the disposal was not connected to the imminence of the agm.

## Telephone Rentals in £2.6m purchase

By Clare Pearson

Telephone Rentals, telecommunications equipment group, is buying Sound Systems for £2.6m (£2.18m) to strengthen its position in the Irish Republic.

The company is offering seven shares for every five in Sound Systems, valuing each Sound Systems share at £3.62. There is a cash alternative of £3.47 per share. Irrevocable undertakings have been obtained from holders of 71.5 per cent (464,900) of the shares.

Sound Systems made pre-tax profits of £359,000 in the year to the end of January.

## Atlantic Assets investors offered revised package

BY NIKKI TAIT

A REVISED reconstruction scheme at Atlantic Assets, the £140m investment trust managed by Edinburgh-based Ivory & Sime, is offering investors a share swap into either another I&S-managed trust, the Independent Investment Company, or into I&S's offshore Atlas Fund.

Atlantic was one of three Ivory & Sime trusts featured in a complex reconstruction package announced in January.

The initial proposals were approved, and went ahead, at Edinburgh American, but they were rejected, for differing reasons, at the other two trusts.

In the case of Atlantic, only 42.3 per cent of the shares voted were in favour of the original scheme.

Under the new reconstruction plan, Atlantic shareholders have two options, compared with the three previously.

The first is to take independent shares with an underlying net asset value equivalent to 100 per cent of net asset value of their ordinary shares in Atlantic.

The second offers shares in either the global capital equity or the sterling liquidity sub-funds of the Atlas Fund equivalent to 95 per cent of the underlying net asset value of their shares in Atlantic.

Because Atlas is an open-ended investment company, shares in the various sub-funds trade at or close to net asset value. This route, therefore, suits shareholders who simply wish to cash in their holding.

Preference share and debenture holders in Atlantic will be repaid in cash at par, plus dividends and interest up to the winding-up date. Warrant holders receive a cash sum of about 9.5p per warrant.

A stumbling block in any reconstruction of Atlantic has been the trust's existing cross-holding in Independent, now a specialist venture capital trust.

The Atlantic stake amounts to 60 per cent of Independent's equity, plus 60 per cent of its warrants and, on an nav for Independent of 56.5p, is worth £38.2m. Under the latest proposals, Independent will purchase these shares from Atlantic and then cancel them. It will also acquire Atlantic's venture capital invest-

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FINANCIAL TIMES

Some figures speak for themselves...





## Stead up to £8.94m and resists Clayform bid

BY CLAY HARRIS

Stead & Simpson, footwear retailer and motor dealer, yesterday reported pre-tax profits of £2.94m and again urged shareholders to reject the £89.5m takeover bid from Clayform Properties, property development and investment group.

For the first time, Stead included its net surplus on property disposals in the pre-tax total, rather than as an extraordinary item. On this basis, property sales contributed £2.58m (£1.72m) in the year to March 31.

As a result, the taxable total was 24 per cent higher than the restated figure for the previous year. Excluding this change, operating profits rose by a more modest 15.6 per cent to £8.41m.

In its defence document, Stead said the Clayform offer significantly undervalued and threatened to break up the company. It also attacked the bidder's record as a retailer.

Mr Peter Gee, whose appointment as managing director of Stead from next April was announced yesterday, said: "The bid is clearly about getting a strong property portfolio on the cheap."

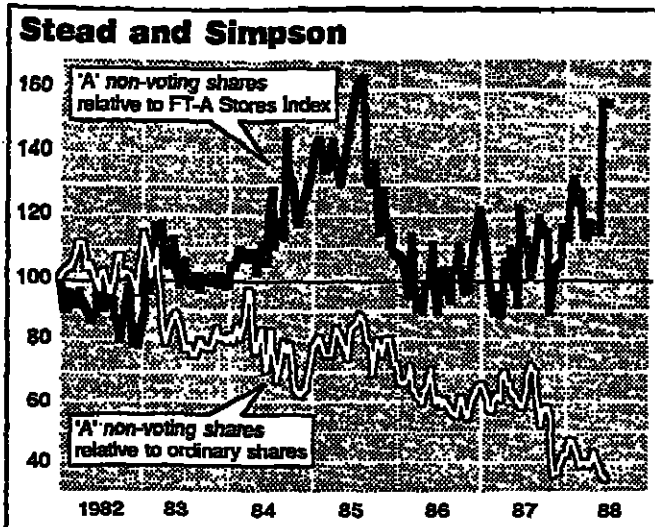
Stead has commissioned a revaluation of the portfolio, the first for two years. The result is likely to be announced before the end of the bid. The asset value at March 31 1987 was 138p per share.

By comparison, Clayform is offering 125p in cash, with a loan note alternative, for Stead's 66.2m non-voting 'A' ordinary shares and £12 for the 1.6m voting ordinary shares. Apart from voting rights, there is no difference between the two classes. In the market, the shares closed respectively at 128p and £14.25.

Stead made clear that its opposition would not be swayed even if holders of a large majority of non-voting shares accepted the offer. Clayform holds about 10 per cent of non-voting shares and just short of 30 per cent of voting shares; its chances of success depend on being able to sway some of the block held by directors and family.

Allowing for the uncertainty of family ties, this is estimated to comprise between 25 and 60 per cent of the total.

Excluding Clayform, Stead said, holders of each voting share also held an average of 11.4 non-voting shares. This reduced the



income attraction of Clayform's offer, or eliminated it if full capital gains tax liability was assumed.

Turnover rose by 11.1 per cent to £77.9m (£70.1m). By division, footwear retailing contributed profits of £5.1m (£4.4m) and the three Leicester motor dealerships £1.37m (£1.23m). Computer and

management services fell to a £75,000 loss (£15,000 profit). On earnings per share 26 per cent higher at 11.6p (9.2p), a proposed final dividend of 3.2p (2.7p) will raise the total by 18 per cent to 4.6p (3.9p).

**comment**  
The cover of Stead's defence document has an all-purpose message for both classes of shareholders. For the voting minority which holds the company's future in its hands, read it as "Say No"; for the unfranchised majority, however, the same repeated words clearly read "No Say". The recent trading performance in shoes is hardly startling, but there is even less than meets the eye. Even in management accounts, the freehold 40 per cent of shops is charged only a nominal rent which has not changed for five years. Margin comparisons with other independent retailers should therefore be taken with a grain of salt. Assuming the same level of property profits in the current year, the taxable total is unlikely to exceed £9.6m. The prospective p/e of 10 for the 'A' shares, and 115 for the voting shares, will rise sharply in coming weeks if Clayform sweetens its terms. The orphan 'A's may still be worth a punt, as their relationship to the voters has fallen behind the 1.3:6 ratio to which Clayform must adhere. They also will fall less than the voting shares if the bid fails.

## Costain sees good recovery this year

by Nikki Tait

Costain, the mining to construction company in which Trafalgar House has built up a 7.46 per cent stake, yesterday told shareholders that it expected a good profits recovery in the current year. At the annual meeting yesterday, Sir Godfrey Messervy, chairman, said that encouraging progress was coming through in all sectors, strengthening the optimism expressed in the annual report.

Sir Godfrey made no reference to Trafalgar's presence on the share register, but replying to one shareholder, confirmed that the company did have a bid defence strategy in place. "Every prudent company would under these circumstances," he commented.

## Exploration and El Oro show advance

Exploration Company, investment dealer, 42.79 per cent owned by El Oro Mining & Exploration Company, lifted pre-tax profits 28 per cent to £1.66m in 1987 against £1.45m. A single final dividend of 3.75p (2.5p) is proposed, payable from earnings of 10.52p (8.17p).

El Oro Mining & Exploration Company, 49.35 per cent owned by the Exploration Company, reported a 22 per cent pre-tax profit rise to £1.45m (£1.19m) for 1987. A dividend of 7.5p (5p) is proposed. Earnings rose to 22p (17.7p).

## David & Charles

David & Charles Publishers, increased pre-tax profits by 48 per cent from £430,000 to £636,000 in the year to January 31 1988. Sales rose from £9.27m to £10.6m. The dividend per 1p ordinary share for the year is being increased to 1.1p (1p), on earnings per share of 4.5p (2.45p), or 4.01p (2.25p) fully diluted.

The company's shares are traded on the over-the-counter market made by Guidehouse Securities.

## McLeod Russel falls to £7.2m

MR NIGEL OPENSHAW, chairman of McLeod Russel Holdings, yesterday unveiled a profits downturn of £3.88m to £7.21m pre-tax for the year to end-March. Turnover was little changed at £38.75m.

The results, struck on a merger accounting basis, were the first from the enlarged group following the merger of Kennedy Smale and McLeod Russel Holdings towards the end of the 1987 year. The accounting period will run until September 30 and a final dividend for the 18 months will be paid in January 1989. As announced a second interim of 2.25p will be paid.

The fall in profits stemmed from two main factors - lower plantation returns resulting from depressed tea and coffee prices and the sale of the Indian interest in November.

Mr Openshaw said the board's down to £1.

policy was to change the emphasis of the group from its traditional business of overseas plantations, principally tea and coffee, to UK-based businesses so as to improve the quality of earnings and assets.

The group had generated substantial cash balances in the UK, currently £18m, from sales of plantations, and it had a strong UK cash flow.

During the past 12 months UK profits before tax rose by £1.3m to £5.3m and Mr Openshaw said the outlook remained encouraging.

Profits of the Kenyan estates fell from £3.48m to £324,000 and losses from the tea and coffee estates in Papua New Guinea rose from £500,000 to £1.01m. The Papua New Guinea estates are to be sold and the investment in the balance sheet has been written

## Hoskyns rises to £3.7m

Hoskyns Group pushed strongly ahead in the half year ended April 30, increasing its profits for the period by 35 per cent to £3.72m at the pre-tax level.

And with ten years of consistent growth behind it the company was looking for another outstanding year - taxable profits for 1988/89 surged by 44 per cent to £6.51m.

Turnover for the opening half improved from £39.95m to £47.96m. The London-based group is engaged in computer services. Tax of £1.34m (£1.04m) left earnings at 6.5p (4.7p) per 5p share.

The interim dividend is being stepped up from 0.8p to 0.9p. The two companies acquired in 1987 - Thomas & Co and the Computer Based Training group - were fitting in well, and the latest acquisitions - Insight Database Systems, Insight Software (Export) and Vector Software - had given the group a pole position in the market of providing application products and associated services for users of IBM mid-range machines.

Hoskyns is a subsidiary of Martin Marietta Corporation (USA).

## Brian Blake to join Doctus as chairman

BY CLARE PEARSON

MR BRIAN BLAKE, who resigned earlier this year from Swinton Insurance, the motor insurance company he helped build up over 20 years, is to become executive chairman of Doctus, a management consultancy company.

Mr Blake, 43, is bringing with him to Doctus' board a business partner, Mr Alex Birchall. Mr Jim Byrne, Mr Blake's predecessor, will continue as an executive director.

Doctus was formed last April by reversing Doctus Management Consultancy into the quoted but

loss-making fabricator and carpet cutter Smith Whitworth.

"We feel Doctus has an awful lot going for it as an acquisitive vehicle," Mr Blake said yesterday. The shares rose 13p to close at 80p.

Purchases from Mr Byrne and John Govett, the fund management group, has given Mr Blake and Mr Birchall between them about 25.7 per cent of Doctus' ordinary share capital.

John Govett has now sold its entire 14.67 per cent stake in Doctus' ordinary shares, and its 4.59 per cent share of the company's equity warrants.

## Engineering offsets fall in Chillington plantations

Chillington Corporation achieved a 16 per cent profit rise in 1987 despite continuing low commodity prices and the effect of the strong pound on the translation of overseas profits.

Mr Michael Nightingale, chairman, said good results from UK activities offset reduced profits from the plantation subsidiaries.

Pre-tax profits of £3.05m (£2.63m) were achieved on turnover of £48.04m (£36.67m). An extraordinary item of £2.56m (£235,000) mainly related to a profit on the disposal of the major part of the investment in

Telfee Holdings. Mr Nightingale said this helped provide the resources needed to exploit the long-term potential of the UK engineering companies.

A final dividend of 4.4p per share is recommended, making a total of 7p (6.4p adjusted).

On prospects, Mr Nightingale said demand remained high for engineering products. The Brazilian subsidiary was suffering from accelerating inflation and reduced demand, however he was confident that long-term prospects for the corporation were good.

## Parkfield makes two acquisitions for £8.4m

Parkfield Group, rapidly-expanding conglomerate, has made two further acquisitions for a total of £8.4m. Miller Enterprises, greetings cards manufacturer, was acquired for £4m cash and Material Auxiliar de Petroleos, Spanish wheel maker, is being paid for by the issue of a 12-month promissory note for £4.4m.

Miller, set up almost 30 years by Lord Hanson and Sir Gordon White, makes cards under a number of names including Hanson White and Sunrise. The company was bought by the late Mr John Miller, then sales manager, in 1983.

Profits before tax, profit sharing and non-executive expenses were £491,000 in the year to the end of June 1987 on sales of £3.39m. Net assets at that date were £389,000.

Maps makes aluminium wheels and other aluminium castings for the automotive industry. The purchase follows the acquisition of two UK aluminium wheel producers during the past nine months. In 1987 Maps reported pre-tax profits of £800,000 on turnover of £8m.

## Rolfe & Nolan profits rise

Profits of Rolfe & Nolan Computer Services rose from £338,000 to £510,000 pre-tax for the year to end-February 1988. Turnover for the USM-quoted specialist supplier of futures and options systems and services rose from £2.21m to £3.02m.

The directors said that although market conditions on the sales and marketing front were less buoyant than before October last year there was still a good supply of new prospects in the UK and continental Europe.

The current year had begun satisfactorily and acquisitions were being sought. Earnings for the year emerged at 11.7p (8.8p) and a proposed final dividend of 2.5p raises the total to 4p. Cash and short-term deposits at year-end totalled £1.12m (£933,000).

**Publishing sale**  
Publishing Holdings, which is dealt on the Third Market, is to sell its publishing division to a management team led by two PH directors for £1.13m. The buy-out is backed by Schroder Ventures.

## COMPANY NEWS IN BRIEF

**BRAITHWAITE GROUP** has received acceptances of the offer for SPP in respect of 18.4m shares (95.42 per cent). These include acceptances for the cash alternative and the share election in respect of 14.64m and 1.08m SPP ordinary shares respectively. The offer has been declared unconditional as to acceptances.

**SENIOR Engineering** shareholders were told at the annual meeting that its order book remained

strong. Senior had secured substantial order books from the American utilities, which was an important breakthrough for the thermal engineering companies. The company's expansion programme had continued and a number of acquisitions had been made.

**A & M GROUP** has received acceptances for £1.25m nominal of convertible loan stock (40.28 per cent of total offered). The bal-

ance of £1.86m nominal has been taken up by the places.

**ROCKWARE GROUP** - Performance was significantly ahead of last year, Sir Peter Parker, chairman told annual meeting. The first quarter for glass had shown continuing improvement. The three new acquisitions in plastics have been turned into profit. Further potential acquisitions were being pursued.

**MBS** has acquired the interest and employees of CCF Recruitment from CCF Group which has decided to withdraw from the recruitment sector after 18 months to concentrate on its core business.

**ELECTRA Investment Trust** has invested an initial £1m in Langford Holdings, a Brighton-based exhibitions and publishing company. The funds were used by Langford to finance part of a simultaneous £1.4m acquisition of a Dutch exhibitions and publishing company.

CONSTRUCTION

£20.0M

PROPERTY

£27.1M

HOMES

£20.9M

TOTAL PROFIT

£73.1M

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## COMMODITIES AND AGRICULTURE

## Weather still worrying US growers

BY NANCY DUNNIE IN WASHINGTON

A SPRINKLING of showers in a corner of the US maize and soybean-producing states yesterday seemed to dampen Tuesday's wild trading on the Chicago Board of Trade, but meteorologists were generally pessimistic about an end to the hot, dry weather.

Weather concerns have propelled Chicago soybean futures to more than \$4 a bushel, a price not seen since 1984, when soybeans brought in more than \$9 a bushel a year after the US's last big drought.

Maize prices have climbed to about \$2.50 a bushel, a healthy level compared with previous years, but one suppressed by the existence of plentiful stocks.

The US Department of Agriculture estimates that soybean carryover stocks total less than 15 per cent of the projected use for this year. The carryover-to-use ratio for maize is 50 per cent and for wheat 30 per cent.

Dr Ray Motha, an USDA weather forecaster, said a frontal

THE Canadian Government has announced drought aid worth \$12m (£3.3m) for prairie farmers damaged by the worst dry spell since the 1930s, reports Reuter from Calgary, Alberta.

Mr John Wise, Federal Agriculture Minister, announced the relief, aimed mainly at helping livestock farmers find new sources of water, as he and Mr Charlie Meyer, Grain Minister, met farm ministers of the four western provinces.

Mr Stan Wilson, chairman of the Canadian Cattlemen's Association drought committee, welcomed the relief

system carrying with it potential rain has been halted in the Great Plains but below-normal rainfall in maize and soybean-producing states.

Soybeans are of particular concern because farmers, encouraged by sunny weather, have rushed to plant them.

which will help farmers drill wells and dig dugouts to store water.

In spite of recent rains whole tracts of western farmland are very dry, especially in south-west and west-central Saskatchewan and southern and east-central Alberta.

The dry conditions have already destroyed much of the prairie hay that feeds livestock.

Mr Grant Devine, Premier of Saskatchewan, who is also the province's farm minister, called the federal aid "long-run drought-proofing."

USDA last month predicted stronger feed-grain import demand by Romania, Venezuela and Algeria and reduced maize shipments from Argentina and the European Community.

Most US wheat-planning areas have not been affected by the poor weather conditions but USDA is already worried about falling wheat stocks and rising demand.

Almost three-quarters have been seeded. Now, when they need moisture to develop, the weather has been unusually hot and dry.

Worldwide, USDA has been predicting a 7 per cent drop in oilseed output, excluding soybeans. Soybean output prospects have already been damaged by drought in Brazil where last month USDA lowered its estimate by 400,000 tonnes, to 17.8m tonnes.

Most of the decline in oilseeds is attributed to India's lower 1987-88 peanut crop. Dry weather in Eastern Europe could also present difficulties.

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## Venezuela raises oil output capacity

BY JOHN BARNHAM IN SAO PAULO AND STEVEN BUTLER IN LONDON

VENEZUELA RAISED oil output capacity by 477,000 barrels a day, to 2.57m b/d, last year, says Petroleos de Venezuela, the state oil company, reports Reuter from Caracas.

Capacity was raised by drilling 124 wells, repairing 1,097 wells and developing other existing wells, it said in a review of its performance last year.

Venezuela could produce more than 1m b/d above last year's actual output of 1.53m b/d, it said.

Industry officials said increasing capacity allowed them to meet demand for different oil types within Opec output quotas. Venezuela's quota is 1.57 b/d.

The company produced 535,000 b/d of light crude, 588,000 b/d of medium and 410,000 b/d of heavy and super-heavy crude last year. No comparative 1986 figures were provided.

It also pumped 34,000 b/d to Ecuador's commitments to customers after an earthquake disrupted that country's exports.

Venezuela produced 259,000 b/d of condensates and liquid natural gas, exporting about 25,000 b/d of the latter. Natural gas output was 99m cu ft a day, it said.

## Experts cautious about Texaco 'N Sea-size oil find' in Brazil

BY JOHN BARNHAM IN SAO PAULO AND STEVEN BUTLER IN LONDON

TEXACO, THE US oil company, yesterday said it had found oil in a well drilled in Brazil at the mouth of the Amazon River and was encouraged to continue with its drilling programme.

The statement was prompted by a euphoric announcement by Mr Jose Sarney, President of Brazil that a potentially massive oilfield, comparable in size to the North Sea, had been discovered.

Oil experts, however, said Mr Sarney's assessment was premature and that extensive appraisal work would have to be completed before the size of any oil reservoir could be determined and whether any commercial development was feasible.

Brazil consumes some 1.2m barrels of oil a day, of which it imports about half. A big oil discovery would be welcomed by

Brazil's creditors, who are currently going through a round of debt-rescheduling procedures.

Officials at Petrobras, the national oil monopoly, are treating the announcement with caution because the island of Marajo, where the well was drilled, has been explored on and off for the past 46 years with no success. Texaco is working under a risk contract with Petrobras.

## Wool corporation to raise floor price

THE Australian Wool Corporation will intervene in the declining Australian wool market by setting new intervention levels well above the 1987-88 floor prices, reports Reuter from Melbourne.

The corporation's chairman, Mr David Asmus, said yesterday: "The purpose of the new intervention is to stop a substantial fall following the recent decline in Australian wool prices."

The AWC has the statutory power to set intervention prices for the different categories above the floor prices at which it must buy-in at auction. Generally it uses its intervention powers when the market reacts sharply after a strong rise.

The trend of the Australian wool market has been downward since it reached a record high in late April. The decline accelerated at this week's first sales, after a one-week recess, in Sydney on Tuesday.

The market indicator, which hit a peak 1.569 cents a kilo (clean) on a late-April sale day, fell 50 cents on Tuesday to a provisional 1.414 cents.

Nevertheless, the market indicator remains well above its floor price for the 1987-88 season, ending June 30, of 645 cents.

"It is the intent of the corporation to establish and maintain confidence in the wool market through intervention levels approximating the floor in 1988-89," Mr Asmus said.

As usual, he did not disclose intervention levels.

The 1988-89 floor prices are now under consideration by the AWC after the Wool Council of Australia, the main growers' body, recently recommended a market indicator floor in the 850 cents to 900 cents a kilo range.

Mr Asmus said a factor behind the decision was uncertainty about the value of the Australian dollar, which has recently appreciated strongly against leading currencies.

The corporation's assessment of the present market was that there was firm underlying demand for wool around the world, he said.

He said: "There is such sound wool demand, especially in Japan, and we are determined that temporary uncertainties should not harm that underlying demand. Substantial quantities of wool have been sold forward by the major exporters for delivery through to December 1988."

## Brazil sends envoy on US soybean oil aid

MR ANTONIO IAFELICE, president of the Brazilian Association of Vegetable Oil Industries, was in Washington yesterday to discuss vegetable-oil trade issues with US officials, reports Reuter from Washington.

At a meeting scheduled for today he is expected to express concern over US soybean-oil export subsidies. The Export Enhancement Program, said Mr Philip Mackie, head of

the oilseeds division of the US Department of Agriculture's Foreign Agricultural Service.

Since the US began offering EEP subsidies for soybean oil last November 376,000 tonnes of oil have been sold through the programme, Mr Mackie said.

Brazil has complained that the subsidies are crippling the market for its own vegetable-oil exports, now selling at less than half last year's price. The association claims the subsidies

have cost Brazil more than \$1bn. Mr Mackie said he was not sure how the US could address the Brazilian objections to the programme. "We'll have to see what their concerns are," he said.

Meanwhile, in Sao Paulo trade analysts said the level of Brazil's soy exports this year depended on the outcome of the Washington talks.

Mr Silmar Muller, editor of *Safra* and *Mercado* newsletters, thought Mr Iafelice would ask

the US to suspend the EEP for soy products, at least temporarily.

"Brazil isn't benefiting from Chicago's high prices. To sustain a leading player in the soybean market, the US must offer a discount and they're losing money," he said.

He said Brazil had ended up paying for a programme designed to combat European Community subsidies.

## Bigger Thai maize crop expected

HIGHER PRICES and a projected normal monsoon season are expected to increase Thai maize production to at least 4m tonnes in the 1988-89 (July-June) season from a drought-affected, 10-year low of 2.31m tonnes this year, Reuter reports from Bangkok.

Local traders said farmers were expected to plant a minimum 2.10m hectares in the season beginning next month, up from 1.85m ha in 1987-88 and against 2.22m ha a year earlier.

The sources said first shipments of the 1988-89 crop would reach the local market in mid-June because of early arrival of monsoon rains this year.

Bank of Thailand estimates put maize exports at 57,304 tonnes in January-April, down from 74,205 tonnes a year ago.

The current tight supply and rising prices have turned away many traditional Thai maize buyers or prompted them to seek alternative animal feed materials, traders said.

## LME nickel price drifts downward

BY KENNETH GOODING, MINING CORRESPONDENT

THE London Metal Exchange nickel price drifted downward yesterday as buyers waited to see what the impact of recent developments would be.

They now know that Inco, the Canadian group which is the world's main nickel producer, has settled its new labour contract without any disruption.

Employees at Inco's Port Colborne, Ontario, refinery yesterday ratified a three-year contract negotiated by the United Steelworkers of America union.

On Tuesday the 6,000 workers at Inco's Sudbury, Ontario, nickel-copper mine voted to

accept the deal.

The deal provides, among other things, for a 22 per cent increase over three years, a nickel-price bonus and inflation protection for all pensioners.

Meanwhile, the first shipment of 2,000 tonnes of ferro-nickel left the Dominican Republic after the Government last week signed an agreement with Falconbridge.

Falconbridge is making arrangements to ship out of nickel contained in ferro-nickel stockpiled during the dispute, which was over export duties between the company and the

republic. The republic produces about 5 per cent of the non-communist world's nickel supplies.

The stockpile should be eliminated within 2 1/2 weeks and Falconbridge's main plant at Loma de Peguera, in Bonao, 50 miles north of Santo Domingo, should be running at full capacity within days.

The LME cash price for nickel, which had dropped already by \$3,000 a tonne in the past 10 days, fell another \$350 yesterday, to \$14,750 a tonne. The price of metal for delivery in three months fell by \$200, to \$13,450 a tonne.

## Peru zinc mine to reschedule shipments

YAUICOCHA, PERU's state-owned zinc mine, has told European clients it must reschedule shipments because of output cuts, Reuter reports from Lima.

Producers across the country are complaining that the squeeze on foreign exchange has left them short of spare parts, with consequent problems for output.

For example, production of zinc ingots at the La Oroya refinery has been well below capacity this year. Further, output at the Cajamarquilla refinery fell to nearly half capacity in April because of difficulties in obtaining spare parts, as well as due to blackouts caused by guerrilla activity.

Force majeure remains in effect at Casapalca, a state-owned zinc mine, even though a strike ended nearly two weeks ago.

Meanwhile, the privately-owned Uchucchacua mine has halted silver-concentrate shipments because of a strike. Officials say these might not restart until the month's end.

## Canute James on quiet developments in Trinidad and Tobago Caribbean ahead in nitrogenous fertilisers

TRINIDAD AND Tobago, using local natural gas, has quietly become a leading player in the world nitrogenous fertiliser industry.

The gas is fed to several petrochemical plants - mainly joint-ventures between the Government and foreign companies - on a sprawling heavy-industrial estate in southern Trinidad.

Government officials say the country trails more established fertiliser producers such as the Soviet Union, the US and China but that the Caribbean republic as an exporter is second only to the Soviet Union.

Official figures show a steady rise in ammonia and urea output and exports over the past four years. This will be increased further by capacity being brought on stream in the next two months. Ammonia exports last year totalled 1.35m tonnes, urea shipments 425,000 tonnes.

"When it was discovered that this country had substantial reserves of natural gas, it was decided very early to maximise the value of the gas by converting it to petrochemicals," said Mr Rupert Mends, Parliamentary Secretary, Energy and Natural Resources Minister.

He said the main markets for

Trinidad and Tobago's fertilisers are the US, Central American countries, the European Community and India.

The fertiliser industry started in the 1950s when W.R. Grace of New York established Fedchem, an ammonia plant in Trinidad, with average output of 220,000 tonnes a year.

The urea plant, wholly-owned by the Government, was built by Snamprogetti of Italy. It has a rated capacity of 600,000 tonnes a year.

In spite of the success of the fertiliser industry in establishing a foothold on the world market there is concern in Trinidad and Tobago over Tobago. The central bank reported that prices for nitrogenous fertilisers in the final quarter of last year were depressed.

The bank said: "Prices of ammonia averaged US\$81.40 per tonne (fob Caribbean). This was 17.5 per cent below the averages for the third quarter but still 9.5 per cent above the prices in the last quarter of 1986."

In contrast, urea prices, which for the past year were below ammonia prices, averaged US\$95.80 per tonne (fob Caribbean), 6.5 per cent higher than in the previous quarter and 26.7 per cent above average prices in the fourth quarter of

1986. Plans for further expansion in output and export of nitrogenous fertilisers depend on a planned rise in natural-gas production.

The country's known gas reserves are 16.9 trillion (million million) cubic meters, with consumption last year averaging 20.5m cu m a day, marginally lower than 1986.

Officials say that at current output levels demand for natural gas will outstrip supply in the 1990s and that this could adversely affect industries dependent on gas.

Consequently, the Government is pursuing a US\$170m project to exploit gas reserves off Trinidad's south-east coast, and which is expected to start production late next year with initial output of 20m cu m a day.

Mr Mends said: "At current production levels the supply of gas will become tight very soon. The contract for engineering the project has already been awarded and we are now seeking financing."

The project will be managed by the South East Coast Consortium which will be owned by three government companies: Trinidad and Tobago Oil and Trinidad and Tobago Petroleum will each have a 40 per cent stake, with National Gas holding 20 per cent.

## WORLD COMMODITIES PRICES

## LONDON MARKETS

THE LONDON Metal Exchange's three months zinc price reached a 3-year sterling high of £555 a tonne, equivalent to a 15 1/2-year dollar high, yesterday after workers at Curragh Resources Force mine in Canada narrowly rejected the company's opening contract offer. The market then slipped back but three months metal still closed £12.50 up on the day, at \$550 a tonne. Cash zinc closed at \$574.50 a tonne, up 50¢. The copper market was also very firm, with the cash quotation adding £48.50 to Tuesday's £52.50 advance. Dealers said London copper was following the New York price and was also influenced by the strength of the aluminium market, where the cash high grade position gained another \$205 to £3,740 a tonne. The cash premium over three months aluminium widened to \$1,050 from \$850 a tonne, highlighting the extreme tightness of supplies available for immediate delivery. Brazilian trade lifted coffee futures to 6-week highs early on, but the gains were not maintained.

## SPOY MARKETS

Grain (all per barrel FOB)

Durum \$14 1/4-15 1/4 +0.05

Soft \$16 1/4-17 1/4 +0.05

Wheat \$17 1/4-18 1/4 +0.10

Oil products (INKE prompt delivery per tonne FOB)

Premium Gasoline \$105-107 +0.1

Gas Oil (50v) \$143-145 +0.1

Heavy Fuel Oil \$107-109 +0.2

Other

Crude oil per barrel FOB

Crude oil per barrel FOB

Crude oil per barrel FOB

Crude oil per barrel FOB

Crude oil per barrel FOB

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Crude oil per barrel FOB

## COCCA Chrome

	Close	Previous	High/Low
July	824	837	847 832
Aug	853	858	868 852
Sept	878	878	884 873
Oct	898	898	904 894
Nov	923	923	928 918
Dec	1041	1042	1047 1032
Jan	1061	1061	1066 1051
Feb	1080	1080	1085 1070

## TURNER 8168 (2816) lots of 10 tonnes

ICCQ index prices (50v per tonne). Daily price for May 31: 1245.65 (1233.88). 10 day average for Jun 1: 1257.57 (1254.38)

## COFFEE Chrome

	Close	Previous	High/Low
July	1073	1075	1118 1072
Aug	1084	1082	1119 1082
Sept	1098	1092	1124 1095
Oct	1110	1110	1132 1105
Nov	1120	1110	1138 1122
Dec	1130	1110	1138 1120

## TURNER 6234 (2300) lots of 5 tonnes

ICCQ index prices (US cents per pound) for May 31: 117.45 (117.45). 10 day average for Jun 1: 117.06 (116.84)

## SUGAR S per tonne

	Close	Previous	High/Low
Raw	224.60	214.00	228.20 216.40
White	227.20	217.00	230.80 219.00
Dec	228.00	211.00	232.00 212.00
Mar	221.60	212.00	226.00 210.00

## TURNER 298 (200) lots of 5 tonnes

ICCQ index prices (US cents per pound) for May 31: 117.45 (117.45). 10 day average for Jun 1: 117.06 (116.84)

## GAS OIL Chrome

	Close	Previous	High/Low
July	142.00	141.25	142.50 140.00
Aug	142.00	141.25	142.50 140.00
Sept	142.00	141.25	142.50 140.00
Oct	142.00	141.25	142.50 140.00
Nov	142.00	141.25	142.50 140.00
Dec	142.00	141.25	142.50 140.00

## TURNER 2504 (4288) lots of 100 tonnes

ICCQ index prices (US cents per pound) for May 31: 117.45 (117.45). 10 day average for Jun 1: 117.06 (116.84)

## GRAINS Chrome

	Close	Previous	High/Low
Wheat	105.40	105.40	106.40 104.40
July	105.40	105.40	106.40 104.40
Aug	105.40	105.40	106.40 104.40
Sept	105.40	105.40	106.40 104.40
Oct	105.40	105.40	106.40 104.40
Nov	105.40	105.40	106.40 104.40
Dec	105.40	105.40	106.40 104.40

TURNER 107 (50) lots of 100 tonnes

## LONDON METAL EXCHANGE

LONDON METAL EXCHANGES			
	Close	Pre	High/Low
Aluminium, 99.7% purity (\$ per tonne)			
Cash	3730.50	3625.45	3800.50 3550.50
3 months	2680-700	2540-700	2750-700 2450-700
Aluminium, 99.5% purity (£ per tonne)			
Cash	2025-35	1900-35	2050-35 1850-35
3 months	1465-7	1420-7	1485-7 1385-7
Copper, Grade A (£ per tonne)			
Cash	1355-70	1310-70	1375-70 1290-70
Daily price average for			







## AUTHORISED UNIT TRUSTS

[illegible][illegible][illegible]

7 He tangles with cop - that will mean time (5)  
8 and 16 across Famous classical works (7,2,5)  
11 Doubt, double, double (7)  
14 Slow progress of Cockney courtship! (7)  
17 Not free to rent car space on board (9)  
18 Cut up solidified fish (5)  
19 Cuts the cackle and uses the tea cloth (5,2)  
21 Slow train that follows one (5)  
22 A king badly hurt in legend (6)  
24 Gloomy number get behind (5)  
26 An outstanding leader of men (4)

Solution to Puzzle No.6544

G	O	D	W	I	L	L		L	O	M	B	E
F	A	C	A		S	H		O	G			
O	U	T	L	I	N	G		S	P	A	R	K
U	P		O	G		E	D	E				
S	T	I	M	U	L	I	S		A	R	G	E
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F	A		S	H		A	S	P	E	R	S	U
O	E	R	L	I	C	E		R		X	E	
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T	E	L	L	E	R		A	S	S	E	S	S
R	U	L		S		S	K	O				
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هكذا عن الزهري



Continued on next page



**FT UNIT TRUST INFORMATION SERVICE**[illegible]

هكذا عن الرسل



## LONDON SHARE SERVICE

NDS—Cont'd				1988	
	Price	% chg	Yield	Imp.	Chg.
	12/31/87		9/30/88		
10-yr	43 1/2	9.14	140	122	10
20-yr	39 3/4	8.90	128	111	17
30-yr	32 1/2	8.76	107	94	13
27 1/2-yr	32 1/2	9.16			
27 1/2-yr	27 1/2	9.05			
27 1/2-yr	27 1/2	9.05			

1988			
	12/31/87	1/31/88	2/28/88
10-yr	161 1/2	170	175
20-yr	137 1/2	145	150
30-yr	113 1/2	120	125
27 1/2-yr	111 1/2	118	123
27 1/2-yr	108 1/2	115	120
27 1/2-yr	99 1/2	106	111
27 1/2-yr	99 1/2	106	111
27 1/2-yr	99 1/2	106	111
27 1/2-yr	99 1/2	106	111

are projected to be for (1) 10% of the 1987-88 RPI base month for adjusted and base bond amounts for January 1987; (2) Conversion Factor 102.4; and for April 1988: 105.6

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Investment Company	\$132.54	1
First National	132.00	1
FISZ First Ind	131.00	1
FISZ First Ind	130.00	1
FISZ First Ind	129.00	1
FISZ First Ind	128.00	1
FISZ First Ind	127.00	1
FISZ First Ind	126.00	1
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FISZ First Ind	19.00	1
FISZ First Ind	18.00	1

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US Federal Securities Fund SA	39.64
NAV May 26 .....	
US Pacific Stock Fund	519.60
NAV June 1 .....	
U.S. Treasury Securities Fund Ltd	
Short Term Shares .....	\$410.53
Fixed Income Shares .....	797.95
Union Invest Fd Mgt Co SA Lux	
London & Continental Bankers Ltd	
Union Invest. F. fund ..	D4872.51 75.00
Union Equity Fund .....	D16490.30 50.78

<b>AAB-Allied Arab Bank Ltd</b>		
97-101 Cannon St, London, EC4N 5AD		01-4
HICA, HICMA, .... 18.00	6.141	8.4
<b>Adams &amp; Co. plc</b>		
22 Charlotte St, Edinburgh EH2 4DF		031-
Full Service Car Acc. .... 16.50	5.001	63.7
<b>Aitken Hamne</b>		
30 City Road, EC1Y 2AY		01-
Treasury Acc. .... 16.75	5.187	7.1
With Int. Co. £1008-00000	16.50	4.95
With Int. Co. £5,000-000	16.75	5.181

Prices are in cents unless otherwise indicated. Discounts 5 with no profits over to U.S. dollars. Discounts in last column allow for all buying expenses of certain older insurance-linked plans. Subject to tax on sales. Offered price. Include all. Today's opening price. A Value based on official closing price. A Value's opening price in U.S. dollars. U.K. taxes. A Periodic premium insurance plan. Premium insurance. A Offered price includes an expense agent's commission. A Offered price is expenses of bought through managers. A Previous. A Quarterly price. A Semi-annual. A Value before U.S. taxes. A Only available to U.S. residents. A Yield coupon shows annualized rate of NAV minus dividend.

rate to those exempt from company  
rate after deduction of CRT tax  
to basic rate taxpayers or  
or frequency interest credited

**UNIT TRUST NOTES**

once actual experience indicated  
no profit, refer to U.S. dollars  
excess allow for all buying ex-  
cess interest the plan subject  
to a 6% interest, include all  
sales price, a yield based on off-  
set's coupon price, in 10% to 15%  
period, coupon insurance plan  
variable, 6% interest, 10% to 15%  
commission, a 6% interest, 10%  
through managers, a 6% interest,  
in 10% to 15% to 15% to 15%  
in 10% to 15% to 15% to 15%  
in 10% to 15% to 15% to 15%  
in 10% to 15% to 15% to 15%











# FT-SE Index above 1800 as blue chips follow

Racial shares returned to the limelight in the wake of strong buying by Warburg Securities. The securities house issued a

Holdings, which has a 25.4 per stake in Stanley.

Analysts said Runciman has recently turned the corner after a

NEW LOWS (20).  
BRITISH FUNDS (2) Trans. 13pc 1990, Exch. 3pc

WHIS Group, PAPERS (3) Crutan Lodge, Fairway (London), Osborne & Little. SHOES (1) FN Group, TRUSTS (2) Multitrust, Brit. & Comm. 7.75pc Cv. 2000.

BET	517	Guardian R.E.
BICC	71	GKN
SIFS	2,800	Galinsone
SFB Inds	1,000	Hammerson
B&O	500	Haworth
B&P	2,000	Hawker Shide
Bass	685	Hilldown Ho
Beecham	2,900	IMI
Blue Arrow	1,000	ICI
Blue Circle	1,339	Imperial
Boots	2,279	Jagor
Brit. Int.	620	Leeson
Brit. Aerospace	1,200	Land Secur/L
Brit. & Comm.	428	Laporte
British Gas	5,400	Legal & Gene
BP	2,300	Lloyds Bank
Brit. Telecom	6,500	LMSB
Burnell Oil	900	Lomb
Brit. Sugar	398	Luxor

## Traditional Options

- First dealings May 31
- Last dealings June 10
- Last declarations Sept 1
- For Settlement Sept 12

*For rate indications see end of London Share Service*

Interest failed to expand in the industrial and domestic market yesterday. Stocks favoured for the call included Singer and Friedlander, Pleasurama, Sirdar, C.H. Beazer, Ferranti, Courtaulds, Renolco, FMI, Brooks Tool, Boots, Associated British Engineering, Bristol Channel, Baxby, Ray, and Motor. Unilever and Reliant Motor. No call options were reported but a double option was arranged in Ferranti.

	MONTHLY TRADING STOCK INDEXES						1988		Stock Completion	
	June, 1	May, 31	May, 27	May, 26	May, 25	Year Ago	High	Low	High	Low
	Government Secs	89.60	89.97	89.91	90.07	90.28	92.47	91.43	86.97	127.4
Fixed Interest	98.36	98.63	98.62	98.67	98.67	98.33	Q8/4)	Q3/1)	Q4/3/89	Q1/7/89
Ordinary $\Psi$	1439.6	1427.5	1430.0	1430.4	1430.7	1724.3	Q6/1)	Q2/1)	Q1/1/47)	Q3/1/79
Gold Mines	234.5	237.3	235.7	236.0	236.9	330.2	1478.7	1349.0	1926.2	49.4
Oil Dr./Yield	4.94	4.64	4.64	4.64	4.63	5.80	Q4/3)	Q8/2)	Q4/7/87)	Q2/6/40)
Earnings Yield, % (a/b)	10.87	11.39	11.39	11.39	11.39	7.95	302.5	1.94	734.7	43.5
P/E Ratio (a/b)	16.30	16.56	16.57	16.58	16.58	15.45	Q1/1)	Q3/3/89	Q4/1/83)	Q4/10/87)
SEAO Balance (\$m)	23,719	23,094	23,504	23,326	23,177	47,464	S.E. ACTIVITY			
Equity Turnover (x)	-	121.99	114.14	113.65	121.10	1757.66	Indices			
Equity Turnover (\$)	-	26.48	24.16	25.27	27.70	99.291	May 31			
Shares Traded (m)	-	366.5	368.9	423.7	488.2	719.0	May 27			
							Indices			
							May 31			
							May 27			
							Indices			
							May 31			
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							May 31			
							May 27			
							Indices			

**These Indices are the joint compilation of the Financial Times,  
the Institute of Actuaries and the Faculty of Actuaries**

FIXED INTEREST						AVERAGE GROSS REDEMPTION YIELDS		Wed Jun 31	Tue May 31	Year ago (approx.)
PRICE INDICES	Wed Jun 31	Day's change %	Tue May 31	rd adj. today	rd adj. 1986 to date	British Government				
1 British Government						1 Low 5 years	8.86	8.72	8.89	
2 5 years	123.38	-0.46	123.94	-	4.45	2 Coupons 15 years	9.26	9.21	7.82	
3 5-15 years	140.77	-0.42	141.26	-	4.60	3 Medium 25 years	9.05	9.02	7.95	
4 Over 15 years	148.79	-0.32	149.37	-	6.10	4 Coupons 5 years	9.32	9.16	8.75	
5 Irredeemables	165.94	-0.02	166.14	0.23	6.31	5 Coupons 15 years	9.45	9.41	8.93	
6 All stocks	137.39	-0.41	137.96	-	4.78	6 High 25 years	9.42	9.29	8.93	
7						7 Coupons 5 years	9.58	9.56	8.56	
8						8 High 25 years	9.32	9.28	8.87	
9						9 Irredeemables	9.05	8.94	8.80	
10										
1 Index-Linked						Index-Linked				
2 5 years	127.26	-0.22	127.55	-	0.51	1 Inflation rate 5%	5 yrs.	2.78	2.69	2.37
3 Over 5 years	128.18	-0.42	128.69	-	1.18	2 Inflation rate 5%	Over 5 yrs.	3.86	3.83	3.61
4 All stocks	120.60	-0.40	121.08	-	1.12	3 Inflation rate 10%	5 yrs.	2.83	2.81	2.72
5						4 Inflation rate 10%	Over 5 yrs.	3.69	3.66	3.53
6										
7 Debt & Loans	119.15	+0.02	119.12	-	5.18	15 5 years	10.24	10.25	9.94	
8 Preference	92.61		92.61	-	3.22	16 15 years	10.66	10.66	9.94	
9						17 25 years	10.69	10.69	10.06	
10						18 Preference	9.45	9.45	10.17	

40 opening index 1799.6; 10 am 1802.5; 11 am 1803.7; Noon 1805.1; 1 pm 1804.7; 2 pm 1806.3; 3 pm 1806.1; 3.30 pm 1804.1; 4 pm 1804.1

Option	CALLS					PUTS				
	Jul	Oct	Jan	Jul	Oct	Jan	Jul	Oct	Jan	Jul
Allied Lyons	430	57	72	57	6	8	11			
PCPI 1	360	36	36	36	1	1	52			
	460	11	26	37	28	33	40			
Brit. Airways	120	16	16	17	2	14	..			

Brit. & Comm. (248)	160	25	6	22	23	27	
	240	20	28	32	6	12	15
	280	8	18	22	17	23	25
B.P. (254)	240	8	36		34	6	
	280	13	19	29	7	13	17
	280	5	10	18	20	25	28
Pittsleyton (194)	180	23	28	35	7	9	
	290	10	18	23	16	17	33
	320						
Piney (157)	140	18	24	28	3	7	
	160	7	12	17	19	18	26
	180	5	7	11	13	21	24
Piney (157)	140	18	24	28	3	7	
	160	7	12	17	19	18	26
	180	5	7	11	13	21	24

	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055	2056	2057	2058	2059	2060	2061	2062	2063	2064	2065	2066	2067	2068	2069	2070	2071	2072	2073	2074	2075	2076	2077	2078	2079	2080	2081	2082	2083	2084	2085	2086	2087	2088	2089	2090	2091	2092	2093	2094	2095	2096	2097	2098	2099	2100	2101	2102	2103	2104	2105	2106	2107	2108	2109	2110	2111	2112	2113	2114	2115	2116	2117	2118	2119	2120	2121	2122	2123	2124	2125	2126	2127	2128	2129	2130	2131	2132	2133	2134	2135	2136	2137	2138	2139	2140	2141	2142	2143	2144	2145	2146	2147	2148	2149	2150	2151	2152	2153	2154	2155	2156	2157	2158	2159	2160	2161	2162	2163	2164	2165	2166	2167	2168	2169	2170	2171	2172	2173	2174	2175	2176	2177	2178	2179	2180	2181	2182	2183	2184	2185	2186	2187	2188	2189	2190	2191	2192	2193	2194	2195	2196	2197	2198	2199	2200	2201	2202	2203	2204	2205	2206	2207	2208	2209	2210	2211	2212	2213	2214	2215	2216	2217	2218	2219	2220	2221	2222	2223	2224	2225	2226	2227	2228	2229	2230	2231	2232	2233	2234	2235	2236	2237	2238	2239	2240	2241	2242	2243	2244	2245	2246	2247	2248	2249	2250	2251	2252	2253	2254	2255	2256	2257	2258	2259	2260	2261	2262	2263	2264	2265	2266	2267	2268	2269	2270	2271	2272	2273	2274	2275	2276	2277	2278	2279	2280	2281	2282	2283	2284	2285	2286	2287	2288	2289	2290	2291	2292	2293	2294	2295	2296	2297	2298	2299	2300	2301	2302	2303	2304	2305	2306	2307	2308	2309	2310	2311	2312	2313	2314	2315	2316	2317	2318	2319	2320	2321	2322	2323	2324	2325	2326	2327	2328	2329	2330	2331	2332	2333	2334	2335	2336	2337	2338	2339	2340	2341	2342	2343	2344	2345	2346	2347	2348	2349	2350	2351	2352	2353	2354	2355	2356	2357	2358	2359	2360	2361	2362	2363	2364	2365	2366	2367	2368	2369	2370	2371	2372	2373	2374	2375	2376	2377	2378	2379	2380	2381	2382	2383	2384	2385	2386	2387	2388	2389	2390	2391	2392	2393	2394	2395	2396	2397	2398	2399	2400	2401	2402	2403	2404	2405	2406	2407	2408	2409	2410	2411	2412	2413	2414	2415	2416	2417	2418	2419	2420	2421	2422	2423	2424	2425	2426	2427	2428	2429	2430	2431	2432	2433	2434	2435	2436	2437	2438	2439	2440	2441	2442	2443	2444	2445	2446	2447	2448	2449	2450	2451	2452	2453	2454	2455	2456	2457	2458	2459	2460	2461	2462	2463	2464	2465	2466	2467	2468	2469	2470	2471	2472	2473	2474	2475	2476	2477	2478	2479	2480	2481	2482	2483	2484	2485	2486	2487	2488	2489	2490	2491	2492	2493	2494	2495	2496	2497	2498	2499	2500	2501	2502	2503	2504	2505	2506	2507	2508	2509	2510	2511	2512	2513	2514	2515	2516	2517	2518	2519	2520	2521	2522	2523	2524	2525	2526	2527	2528	2529	2530	2531	2532	2533	2534	2535	2536	2537	2538	2539	2540	2541	2542	2543	2544	2545	2546	2547	2548	2549	2550	2551	2552	2553	2554	2555	2556	2557	2558	2559	2560	2561	2562	2563	2564	2565	2566	2567	2568	2569	2570	2571	2572	2573	2574	2575	2576	2577	2578	2579	2580	2581	2582	2583	2584	2585	2586	2587	2588	2589	2590	2591	2592	2593	2594	2595	2596	2597	2598	2599	2600	2601	2602	2603	2604	2605	2606	2607	2608	2609	2610	2611	2612	2613	2614	2615	2616	2617	2618	2619	2620	2621	2622	2623	2624	2625	2626	2627	2628	2629	2630	2631	2632	2633	2634	2635	2636	2637	2638	2639	2640	2641	2642	2643	2644	2645	2646	2647	2648	2649	2650	2651	2652	2653	2654	2655	2656	2657	2658	2659	2660	2661	2662	2663	2664	2665	2666	2667	2668	2669	2670	2671	2672	2673	2674	2675	2676	2677	2678	2679	2680	2681	2682	2683	2684	2685	2686	2687	2688	2689	2690	2691	2692	2693	2694	2695	2696	2697	2698	2699	2700	2701	2702	2703	2704	2705	2706	2707	2708	2709	2710	2711	2712	2713	2714	2715	2716	2717	2718	2719	2720	2721	2722	2723	2724	2725	2726	2727	2728	2729	2730	2731	2732	2733	2734	2735	2736	2737	2738	2739	2740	2741	2742	2743	2744	2745	2746	2747	2748	2749	2750	2751	2752	2753	2754	2755	2756	2757	2758	2759	2760	2761	2762	2763	2764	2765	2766	2767	2768	2769	2770	2771	2772	2773	2774	2775	2776	2777	2778	2779	2780	2781	2782	2783	2784	2785	2786	2787	2788	2789	2790	2791	2792	2793	2794	2795	2796	2797	2798	2799	2800	2801	2802	2803	2804	2805	2806	2807	2808	2809	2810	2811	2812	2813	2814	2815	2816	2817	2818	2819	2820	2821	2822	2823	2824	2825	2826	2827	2828	2829	2830	2831	2832	2833	2834	2835	2836	2837	2838	2839	2840	2841	2842	2843	2844	2845	2846	2847	2848	2849	2850	2851	2852	2853	2854	2855	2856	2857	2858	2859	2860	2861	2862	2863	2864	2865	2866	2867	2868	2869	2870	2871	2872	2873	2874	2875	2876	2877	2878	2879	2880	2881	2882	2883	2884	2885	2886	2887	2888	2889	2890	2891	2892	2893	2894	2895	2896	2897	2898	2899	2900	2901	2902	2903	2904	2905	2906	2907	2908	2909	2910	2911	2912	2913	2914	2915	2916	2917	2918	2919	2920	2921	2922	2923	2924	2925	2926	2927	2928	2929	2930	2931	2932	2933	2934	2935	2936	2937	2938	2939	2940	2941	2942	2943	2944	2945	2946	2947	2948	2949	2950	2951	2952	2953	2954	2955	2956	2957	2958	2959	2960	2961	2962	2963	2964	2965	2966	2967	2968	2969	2970	2971	2972	2973	2974	2975	2976	2977	2978	2979	2980	2981	2982	2983	2984	2985	2986	2987	2988	2989	2990	2991	2992	2993	2994	2995	2996	2997	2998	2999	3000
Steel (P354)	850	970	830	850	65	30	10	10	30	40	60	70	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																													

Overhead Gas ("F431)	530	21	34	42	13	22	28								
	360	7	22	28	37	39	45								
	390	5	12	18	65	63	67								
Gen. Union ("F362)	530	28	42	35	1	27	15								
	360	8	-	-	3	-	-								
	390	8	-	-	3	-	-								
Bureau Gas ("F363)	160	13	15	19	5	7	10								
	30	1	1	1	1	1	1								
	38	1	1	1	1	1	1								
Overhead Gas ("F431)	530	21	34	42	13	22	28								
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	360	7	22	28	37	39	45								
	390	5	12	18	65	63	67								
Gen. Union ("F362)	530	28	42	35	1	27	15								
	360	8	-	-	3	-	-								
	390	8	-	-	3	-	-								
Bureau Gas ("F363)	160	13	15	19	5	7	10								
	30	1	1	1	1	1	1								
	38	1	1	1	1	1	1								
Overhead Gas ("F431)	530	21	34	42	13	22	28								
	360	7	22	28	37	39	45								
	390	5	12	18	65	63	67								
Gen. Union ("F362)	530	28	42	35	1	27	15								
	360	8	-	-	3	-	-								
	390	8	-	-	3	-	-								
Bureau Gas ("F363)	160	13	15	19	5	7	10								
	30	1	1	1	1	1	1								
	38	1	1	1	1	1	1								
Overhead Gas ("F431)	530	21	34	42	13	22	28								
	360	7	22	28	37	39	45								
	390	5	12	18	65	63	67								
Gen. Union ("F362)	530	28	42	35	1	27	15								
	360	8	-	-	3	-	-								
	390	8	-	-	3	-	-								
Bureau Gas ("F363)	160	13	15	19	5	7	10								
	30	1	1	1	1	1	1								
	38	1	1	1	1	1	1								
Overhead Gas ("F431)	530	21	34	42	13	22	28								
	360	7	22	28	37	39	45								
	390	5	12	18	65	63	67								
Gen. Union ("F362)	530	28	42	35	1	27	15								
	360	8	-	-	3	-	-								
	390	8	-	-	3	-	-								
Bureau Gas ("F363)	160	13	15	19	5	7	10								
	30	1	1	1	1	1	1								
	38	1	1	1	1	1	1								
Overhead Gas ("F431)	530	21	34	42	13	22	28								
	360	7	22	28	37	39	45								
	390	5	12	18	65	63	67								
Gen. Union ("F362)	530	28	42	35	1	27	15								
	360	8	-	-	3	-	-								
	390	8	-	-	3	-	-								
Bureau Gas ("F363)	160	13	15	19	5	7	10								
	30	1	1	1	1	1	1								
	38	1	1	1	1	1	1								
Overhead Gas ("F431)	530	21	34	42	13	22	28								
	360	7	22	28	37	39	45								
	390	5	12	18	65	63	67								
Gen. Union ("F362)	530	28	42	35	1	27	15								
	360	8	-	-	3	-	-								
	390	8	-	-	3	-	-								
Bureau Gas ("F363)	160	13	15	19	5	7	10								
	30	1	1	1	1	1	1								
	38	1	1	1	1	1	1								
Overhead Gas ("F431)	530	21	34	42	13	22	28								
	360	7	22	28	37	39	45								
	390	5	12	18	65	63	67								
Gen. Union ("F362)	530	28	42	35	1	27	15								
	360	8	-	-	3	-	-								
	390	8	-	-	3	-	-								
Bureau Gas ("F363)	160	13	15	19	5	7	10								
	30	1	1	1	1	1	1								
	38	1	1	1	1	1	1								
Overhead Gas ("F431)	530	21	34	42	13	22	28								
	360	7	22	28	37	39	45								
	390	5	12	18	65	63	67								
Gen. Union ("F362)	530	28	42	35	1	27	15								
	360	8	-	-	3	-	-								
	390	8	-	-	3	-	-								
Bureau Gas ("F363)	160	13	15	19	5	7	10								
	30	1	1	1	1	1	1								
	38	1	1	1	1	1	1								
Overhead Gas ("F431)	530	21	34	42	13	22	28								
	360	7	22	28	37	39	45								
	390	5	12	18	65	63	67								
Gen. Union ("F362)	530	28	42	35	1	27	15								
	360	8	-	-	3	-	-								
	390	8	-	-	3	-	-								
Bureau Gas ("F363)	160	13	15	19	5	7	10								
	30	1	1	1	1	1	1								
	38	1	1	1	1	1	1								
Overhead Gas ("F431)	530	21	34	42	13	22	28								
	360	7	22	28	37	39	45								
	390	5	12	18	65	63	67								
Gen. Union ("F362)	530	28	42	35	1	27									

[illegible]

(F09)		500	26	40	53	15	23	27		(F09)		220	2	10	15	14	22	28	
		500	7	17	28	45	50	53				220	1	5	8	13	38	41	
I.C.I.		400	96	102	127	95	7	22	28	BTR		240	27	37	39	1	6		
(T04)		400	96	102	127	95	7	22	28	(T04)		240	27	37	39	1	6		
		7000	28	48	70	43	45	62				280	2%	11%	17	17	25	7.1	
Jaguar		240	28	35	43	25	11	15		Blue Circle		390	32	47	57	4	10		
(T00)		240	39	15	24	25	11	25		(P41B)		450	38	48	54	25	45	53	
		240	35	14	22	25	11	25				450	38	48	54	25	45	53	

Land Securities ("587")	550	95	110	115	2	5	10	Drum ("182")	160	23	29	34	1	1	1	1
	550	50	70	80	15	15	23		180	5	14	21	3	12	34	3
	400	16	40	40	23	32	45		260	5	1	11	23	24	1	1
Marks & Spencer ("177")	180	21	27	31	1	4	7	Gleno ("918")	850	73	108	117	3	18	35	7
	180	21	15	18	1	11	15		900	30	30	187	5	35	35	35
	260	14	6	11	25	26	29		950	8	48	60	37	38	38	7
Stratell ("415")	420	70	77	—	2	—	—	Keweenaw Shd. ("496")	550	10	36	47	12	16	18	2
	460	70	77	—	2	—	—		550	10	36	47	12	16	18	2

	500	25	30		8	15	-		550	2	15	25	58	65	6
Reilly-Royce (1221)	110	14	18	20	16	41 <sub>2</sub>	7		Hansen (1330)	120	10	2	14	13	3 <sub>2</sub>
	120	7	1	16	14	8 <sub>2</sub>	10			130	10 <sub>2</sub>	1	10 <sub>2</sub>	14	1
	130	3	7	10	11	15	18			140	2 <sub>2</sub>	4	6 <sub>2</sub>	13	14
SIT (205)	220	39	45	52	2	4	8		Lozano (2234)	223	13	23	47	2	9
	240	19	20	26	15	16	23			240	24	1	18	19	2
	260	12	19	26	15	19	23			250	1	-	26	-	-
Salesbury	290	19	25	29	2	6	8		Midland Bk	300	38	50	2	15	2

[illegible][illegible]

Workshops ("PVL")	280 330	20 7 1/2	30 19	38 24	9 42	13 22	17 27	Wellcome ("P43")	500 550 680	48 13 1/2	75 47	90 63	4 22 60	20 41	20 54
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Option	Aug	Nov	Feb	Aug	Nov	Feb
Brit. Am. ("SBS")	360 390	22 10	45 48	42 42	23 20	23 20

Option	Aug	Nov	Feb	Aug	Nov	Feb
...	...	...	...	...	...	...

BAA F225)	420	9	16	30	42	50	55		CONF.	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055	2056	2057	2058	2059	2060	2061	2062	2063	2064	2065	2066	2067	2068	2069	2070	2071	2072	2073	2074	2075	2076	2077	2078	2079	2080	2081	2082	2083	2084	2085	2086	2087	2088	2089	2090	2091	2092	2093	2094	2095	2096	2097	2098	2099	2100	2101	2102	2103	2104	2105	2106	2107	2108	2109	2110	2111	2112	2113	2114	2115	2116	2117	2118	2119	2120	2121	2122	2123	2124	2125	2126	2127	2128	2129	2130	2131	2132	2133	2134	2135	2136	2137	2138	2139	2140	2141	2142	2143	2144	2145	2146	2147	2148	2149	2150	2151	2152	2153	2154	2155	2156	2157	2158	2159	2160	2161	2162	2163	2164	2165	2166	2167	2168	2169	2170	2171	2172	2173	2174	2175	2176	2177	2178	2179	2180	2181	2182	2183	2184	2185	2186	2187	2188	2189	2190	2191	2192	2193	2194	2195	2196	2197	2198	2199	2200	2201	2202	2203	2204	2205	2206	2207	2208	2209	2210	2211	2212	2213	2214	2215	2216	2217	2218	2219	2220	2221	2222	2223	2224	2225	2226	2227	2228	2229	2230	2231	2232	2233	2234	2235	2236	2237	2238	2239	2240	2241	2242	2243	2244	2245	2246	2247	2248	2249	2250	2251	2252	2253	2254	2255	2256	2257	2258	2259	2260	2261	2262	2263	2264	2265	2266	2267	2268	2269	2270	2271	2272	2273	2274	2275	2276	2277	2278	2279	2280	2281	2282	2283	2284	2285	2286	2287	2288	2289	2290	2291	2292	2293	2294	2295	2296	2297	2298	2299	2300	2301	2302	2303	2304	2305	2306	2307	2308	2309	2310	2311	2312	2313	2314	2315	2316	2317	2318	2319	2320	2321	2322	2323	2324	2325	2326	2327	2328	2329	2330	2331	2332	2333	2334	2335	2336	2337	2338	2339	2340	2341	2342	2343	2344	2345	2346	2347	2348	2349	2350	2351	2352	2353	2354	2355	2356	2357	2358	2359	2360	2361	2362	2363	2364	2365	2366	2367	2368	2369	2370	2371	2372	2373	2374	2375	2376	2377	2378	2379	2380	2381	2382	2383	2384	2385	2386	2387	2388	2389	2390	2391	2392	2393	2394	2395	2396	2397	2398	2399	2400	2401	2402	2403	2404	2405	2406	2407	2408	2409	2410	2411	2412	2413	2414	2415	2416	2417	2418	2419	2420	2421	2422	2423	2424	2425	2426	2427	2428	2429	2430	2431	2432	2433	2434	2435	2436	2437	2438	2439	2440	2441	2442	2443	2444	2445	2446	2447	2448	2449	2450	2451	2452	2453	2454	2455	2456	2457	2458	2459	2460	2461	2462	2463	2464	2465	2466	2467	2468	2469	2470	2471	2472	2473	2474	2475	2476	2477	2478	2479	2480	2481	2482	2483	2484	2485	2486	2487	2488	2489	2490	2491	2492	2493	2494	2495	2496	2497	2498	2499	2500	2501	2502	2503	2504	2505	2506	2507	2508	2509	2510	2511	2512	2513	2514	2515	2516	2517	2518	2519	2520	2521	2522	2523	2524	2525	2526	2527	2528	2529	2530	2531	2532	2533	2534	2535	2536	2537	2538	2539	2540	2541	2542	2543	2544	2545	2546	2547	2548	2549	2550	2551	2552	2553	2554	2555	2556	2557	2558	2559	2560	2561	2562	2563	2564	2565	2566	2567	2568	2569	2570	2571	2572	2573	2574	2575	2576	2577	2578	2579	2580	2581	2582	2583	2584	2585	2586	2587	2588	2589	2590	2591	2592	2593	2594	2595	2596	2597	2598	2599	2600	2601	2602	2603	2604	2605	2606	2607	2608	2609	2610	2611	2612	2613	2614	2615	2616	2617	2618	2619	2620	2621	2622	2623	2624	2625	2626	2627	2628	2629	2630	2631	2632	2633	2634	2635	2636	2637	2638	2639	2640	2641	2642	2643	2644	2645	2646	2647	2648	2649	2650	2651	2652	2653	2654	2655	2656	2657	2658	2659	2660	2661	2662	2663	2664	2665	2666	2667	2668	2669	2670	2671	2672	2673	2674	2675	2676	2677	2678	2679	2680	2681	2682	2683	2684	2685	2686	2687	2688	2689	2690	2691	2692	2693	2694	2695	2696	2697	2698	2699	2700	2701	2702	2703	2704	2705	2706	2707	2708	2709	2710	2711	2712	2713	2714	2715	2716	2717	2718	2719	2720	2721	2722	2723	2724	2725	2726	2727	2728	2729	2730	2731	2732	2733	2734	2735	2736	2737	2738	2739	2740	2741	2742	2743	2744	2745	2746	2747	2748	2749	2750	2751	2752	2753	2754	2755	2756	2757	2758	2759	2760	2761	2762	2763	2764	2765	2766	2767	2768	2769	2770	2771	2772	2773	2774	2775	2776	2777	2778	2779	2780	2781	2782	2783	2784	2785	2786	2787	2788	2789	2790	2791	2792	2793	2794	2795	2796	2797	2798	2799	2800	2801	2802	2803	2804	2805	2806	2807	2808	2809	2810	2811	2812	2813	2814	2815	2816	2817	2818	2819	2820	2821	2822	2823	2824	2825	2826	2827	2828	2829	2830	2831	2832	2833	2834	2835	2836	2837	2838	2839	2840	2841	2842	2843	2844	2845	2846	2847	2848	2849	2850	2851	2852	2853	2854	2855	2856	2857	2858	2859	2860	2861	2862	2863	2864	2865	2866	2867	2868	2869	2870	2871	2872	2873	2874	2875	2876	2877	2878	2879	2880	2881	2882	2883	2884	2885	2886	2887	2888	2889	2890	2891	2892	2893	2894	2895	2896	2897	2898	2899	2900	2901	2902	2903	2904	2905	2906	2907	2908	2909	2910	2911	2912	2913	2914	2915	2916	2917	2918	2919	2920	2921	2922	2923	2924	2925	2926	2927	2928	2929	2930	2931	2932	2933	2934	2935	2936	2937	2938	2939	2940	2941	2942	2943	2944	2945	2946	2947	2948	2949	2950	2951	2952	2953	2954	2955	2956	2957	2958	2959	2960	2961	2962	2963	2964	2965	2966	2967	2968	2969	2970	2971	2972	2973	2974	2975	2976	2977	2978	2979	2980	2981	2982	2983	2984	2985	2986	2987	2988	2989	2990	2991	2992	2993	2994	2995	2996	2997	2998	2999	3000
F225)	365	23	36	36	36	36	36																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																			

	(229)				Options							
	240	260	280	300	Jan	Jul	Aug	Sep	Oct	Nov	Dec	
Cathay Schweppes (N14)	240	11	18	23	11	16	20					
	260	4	8	13	21	26	33					
	320	72	87	95	73	22	28					
	340	72	86	95	73	22	28					
	360	42	48	54	24	30	53					
Galena (524)	280	50	55	63	3	8						
	300	50	50	48	3	12	17					
	320	50	50	48	3	12	17					
	340	50	50	48	3	12	17					
	360	50	50	48	3	12	17					

Ledger	360	62	70	-	2 1/2	7	-
P411	340	35	42	57	8	15	17
	420	15	25	35	20	27	32

Jun 1 Total Contracts 20,391 Calls 19,816 Puts 5,575  
 FT-SE Index Calls 1714 Puts 1708  
 \*Underlying security price.

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هكذا عن التصل

The following is based on trading volume for Alpha securities dealt through the SEAC system yesterday until 5 pm.

[illegible]

	Rises	Falls	Same
British Funds .....	1	110	2

Corporations, Dominion and Foreign Bonds	1	19	33
Industrials	577	214	763
Financial and Properties	252	76	326
Oils	48	14	44
Plantations	6	0	7
Mines	102	18	71
Others	164	20	84

EQUITIES										
Inst Price	Account Price	Lastest Price	Stock		Current Price	YTD %	Inst Price	Account Price	P/E Ratio	
High	Low	High	Low							
140	F.P.	73	63	ASAC Shareholders Klugeco 2p	16					
330	F.P.	129	97	Alkali Petroleum	67	+3				
100	F.P.	100	64	Carbo 2p	54					
100	F.P.	100	80	Chemical Bank Actions	143					
950	F.P.	174	150	Clifton Cans 1p	177	+2				
95	F.P.	102	83	Clifton Cans 2p	177					
105	F.P.	99	94	Clifton Cans 3p	177					
105	F.P.	99	94	Clifton Cans 4p	177					
105	F.P.	99	94	Clifton Cans 5p	177					
105	F.P.	99	94	Clifton Cans 6p	177					
105	F.P.	99	94	Clifton Cans 7p	177					
105	F.P.	99	94	Clifton Cans 8p	177					
105	F.P.	99	94	Clifton Cans 9p	177					
105	F.P.	99	94	Clifton Cans 10p	177					
105	F.P.	99	94	Clifton Cans 11p	177					
105	F.P.	99	94	Clifton Cans 12p	177					
105	F.P.	99	94	Clifton Cans 13p	177					
105	F.P.	99	94	Clifton Cans 14p	177					
105	F.P.	99	94	Clifton Cans 15p	177					
105	F.P.	99	94	Clifton Cans 16p	177					
105	F.P.	99	94	Clifton Cans 17p	177					
105	F.P.	99	94	Clifton Cans 18p	177					
105	F.P.	99	94	Clifton Cans 19p	177					
105	F.P.	99	94	Clifton Cans 20p	177					
105	F.P.	99	94	Clifton Cans 21p	177					
105	F.P.	99	94	Clifton Cans 22p	177					
105	F.P.	99	94	Clifton Cans 23p	177					
105	F.P.	99	94	Clifton Cans 24p	177					
105	F.P.	99	94	Clifton Cans 25p	177					
105	F.P.	99	94	Clifton Cans 26p	177					
105	F.P.	99	94	Clifton Cans 27p	177					
105	F.P.	99	94	Clifton Cans 28p	177					
105	F.P.	99	94	Clifton Cans 29p	177					
105	F.P.	99	94	Clifton Cans 30p	177					
105	F.P.	99	94	Clifton Cans 31p	177					
105	F.P.	99	94	Clifton Cans 32p	177					
105	F.P.	99	94	Clifton Cans 33p	177					
105	F.P.	99	94	Clifton Cans 34p	177					
105	F.P.	99	94	Clifton Cans 35p	177					
105	F.P.	99	94	Clifton Cans 36p	177					
105	F.P.	99	94	Clifton Cans 37p	177					
105	F.P.	99	94	Clifton Cans 38p	177					
105	F.P.	99	94	Clifton Cans 39p	177					
105	F.P.	99	94	Clifton Cans 40p	177					
105	F.P.	99	94	Clifton Cans 41p	177					
105	F.P.	99	94	Clifton Cans 42p	177					
105	F.P.	99	94	Clifton Cans 43p	177					
105	F.P.	99	94	Clifton Cans 44p	177					
105	F.P.	99	94	Clifton Cans 45p	177					
105	F.P.	99	94	Clifton Cans 46p	177					
105	F.P.	99	94	Clifton Cans 47p	177					
105	F.P.	99	94	Clifton Cans 48p	177					
105	F.P.	99	94	Clifton Cans 49p	177					
105	F.P.	99	94	Clifton Cans 50p	177					
105	F.P.	99	94	Clifton Cans 51p	177					
105	F.P.	99	94	Clifton Cans 52p	177					
105	F.P.	99	94	Clifton Cans 53p	177					
105	F.P.	99	94	Clifton Cans 54p	177					
105	F.P.	99	94	Clifton Cans 55p	177					
105	F.P.	99	94	Clifton Cans 56p	177					
105	F.P.	99	94	Clifton Cans 57p	177					
105	F.P.	99	94	Clifton Cans 58p	177					
105	F.P.	99	94	Clifton Cans 59p	177					
105	F.P.	99	94	Clifton Cans 60p	177					
105	F.P.	99	94	Clifton Cans 61p	177					
105	F.P.	99	94	Clifton Cans 62p	177					
105	F.P.	99	94	Clifton Cans 63p	177					
105	F.P.	99	94	Clifton Cans 64p	177					
105	F.P.	99	94	Clifton Cans 65p	177					
105	F.P.	99	94	Clifton Cans 66p	177					
105	F.P.	99	94	Clifton Cans 67p	177					
105	F.P.	99	94	Clifton Cans 68p	177					
105	F.P.	99	94	Clifton Cans 69p	177					
105	F.P.	99	94	Clifton Cans 70p	177					
105	F.P.	99	94	Clifton Cans 71p	177					
105	F.P.	99	94	Clifton Cans 72p	177					
105	F.P.	99	94	Clifton Cans 73p	177					
105	F.P.	99	94	Clifton Cans 74p	177					
105	F.P.	99	94	Clifton Cans 75p	177					
105	F.P.	99	94	Clifton Cans 76p	177					
105	F.P.	99	94	Clifton Cans 77p	177					
105	F.P.	99	94	Clifton Cans 78p	177					
105	F.P.	99	94	Clifton Cans 79p	177					
105	F.P.	99	94	Clifton Cans 80p	177					
105	F.P.	99	94	Clifton Cans 81p	177					
105	F.P.	99	94	Clifton Cans 82p	177					
105	F.P.	99	94	Clifton Cans 83p	177					
105	F.P.	99	94	Clifton Cans 84p	177					
105	F.P.	99	94	Clifton Cans 85p	177					
105	F.P.	99	94	Clifton Cans 86p	177					
105	F.P.	99	94	Clifton Cans 87p	177					
105	F.P.	99	94	Clifton Cans 88p	177					
105	F.P.	99	94	Clifton Cans 89p	177					
105	F.P.	99	94	Clifton Cans 90p	177					
105	F.P.	99	94	Clifton Cans 91p	177					
105	F.P.	99	94	Clifton Cans 92p	177					
105	F.P.	99	94	Clifton Cans 93p	177					
105	F.P.	99	94	Clifton Cans 94p	177					
105	F.P.	99	94	Clifton Cans 95p	177					
105	F.P.	99	94	Clifton Cans 96p	177					
105	F.P.	99	94	Clifton Cans 97p	177					
105	F.P.	99	94	Clifton Cans 98p	177					
105	F.P.	99	94	Clifton Cans 99p	177					
105	F.P.	99	94	Clifton Cans 100p	177					

[illegible]

Issue Price p	Amount Paid up	Latest Revised Rate	1988		Stock	Closing Price p	+ or -
			High	Low			
45	Nil	21/17	12p	14p	Bank of Wales	17p	+3
145	Nil	14/16	11p	12p	Bank of Scotland Group Units	15p	+1
100	Nil	11/12	11p	12p	Bank of Ireland	14p	+3
110	Nil	11/12	11p	12p	Bank of Ireland	14p	+3
70	Nil	11/12	11p	12p	Bank of Ireland	14p	+3
234	Nil	3/6	12p	13p	Bank of Ireland	14p	+3
312	Nil	1/7	12p	13p	Bank of Ireland	14p	+3
215	Nil	1/6	12p	13p	Bank of Ireland	14p	+3

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هكذا صنع القوم

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OVER-THE-COUNTER


Nasdaq national market, 3pm Prices June 1

Continued from page 39


		Sales	High	Low	Chng	Stock	Dn.	Sales	High	Low	Chng	Stock	Dn.	Sales	High	Low	Chng	Stock	Dn.	Sales	High	Low	Chng																		
PepsiA		4	178	74	65	74	+	8799	123	114	115	-	11	-	11	-	11	-	SumSund	729	11	87	23	23	+	+	+	ValrSL					12	12	12	+	+	+			
Pharm	1.12	26	78	25	26	-	-	40	43	43	43	+	+	20	353	17	22	17	17	+	SumTel	1	16	2437	16	26	26	26	+	+	+										
Pharm				140	14	14	14	+	Salmon		7264	74	74	74	+	+	+	+	+	SunSys	1	16	2437	16	26	26	26	+	+	+	VgnrG					8	8	8	+	+	+
Pharm	156	26	78	25	26	-	-	1575	100	100	100	+	+	1	16	2437	16	26	26	26	+	SunTel	1	16	2437	16	26	26	26	+	+	+									
PicSci				12	26	26	26	+	S&P 500		2764	74	74	74	+	+	+	+	+	SunTel	1	16	2437	16	26	26	26	+	+	+	VgnrG					8	8	8	+	+	+
PicSci				12	26	26	26	+	S&P 500		2764	74	74	74	+	+	+	+	+	SunTel	1	16	2437	16	26	26	26	+	+	+	VgnrG					8	8	8	+	+	+
PicSci				12	26	26	26	+	S&P 500		2764	74	74	74	+	+	+	+	+	SunTel	1	16	2437	16	26	26	26	+	+	+	VgnrG					8	8	8	+	+	+
PicSci				12	26	26	26	+	S&P 500		2764	74	74	74	+	+	+	+	+	SunTel	1	16	2437	16	26	26	26	+	+	+	VgnrG					8	8	8	+	+	+
PicSci				12	26	26	26	+	S&P 500		2764	74	74	74	+	+	+	+	+	SunTel	1	16	2437	16	26	26	26	+	+	+	VgnrG					8	8	8	+	+	+
PicSci				12	26	26	26	+	S&P 500		2764	74	74	74	+	+	+	+	+	SunTel	1	16	2437	16	26	26	26	+	+	+	VgnrG					8	8	8	+	+	+
PicSci				12	26	26	26	+	S&P 500		2764	74	74	74	+	+	+	+	+	SunTel	1	16	2437	16	26	26	26	+	+	+	VgnrG					8	8	8	+	+	+
PicSci				12	26	26	26	+	S&P 500		2764	74	74	74	+	+	+	+	+	SunTel	1	16	2437	16	26	26	26	+	+	+	VgnrG					8	8	8	+	+	+
PicSci				12	26	26	26	+	S&P 500		2764	74	74	74	+	+	+	+	+	SunTel	1	16	2437	16	26	26	26	+	+	+	VgnrG					8	8	8	+	+	+
PicSci				12	26	26	26	+	S&P 500		2764	74	74	74	+	+	+	+	+	SunTel	1	16	2437	16	26	26	26	+	+	+	VgnrG					8	8	8	+	+	+
PicSci				12	26	26	26	+	S&P 500		2764	74	74	74	+	+	+	+	+	SunTel	1	16	2437	16	26	26	26	+	+	+	VgnrG					8	8	8	+	+	+
PicSci				12	26	26	26	+	S&P 500		2764	74	74	74	+	+	+	+	+	SunTel	1	16	2437	16	26	26	26	+	+	+	VgnrG					8	8	8	+	+	+
PicSci				12	26	26	26	+	S&P 500		2764	74	74	74	+	+	+	+	+	SunTel	1	16	2437	16	26	26	26	+	+	+	VgnrG					8	8	8	+	+	+
PicSci				12	26	26	26	+	S&P 500		2764	74	74	74	+	+	+	+	+	SunTel	1	16	2437	16	26	26	26	+	+	+	VgnrG					8	8	8	+	+	+
PicSci				12	26	26	26	+	S&P 500		2764	74	74	74	+	+	+	+	+	SunTel	1	16	2437	16	26	26	26	+	+	+	VgnrG					8	8	8	+	+	+
PicSci				12	26	26	26	+	S&P 500		2764	74	74	74	+	+	+	+	+	SunTel	1	16	2437	16	26	26	26	+	+	+	VgnrG					8	8	8	+	+	+
PicSci				12	26	26	26	+	S&P 500		2764	74	74	74	+	+	+	+	+	SunTel	1	16	2437	16	26	26	26	+	+	+	VgnrG					8	8	8	+	+	+
PicSci				12	26	26	26	+	S&P 500		2764	74	74	74	+	+	+	+	+	SunTel	1	16	2437	16	26	26	26	+	+	+	VgnrG					8	8	8	+	+	+
PicSci				12	26	26	26	+	S&P 500		2764	74	74	74	+	+	+	+	+	SunTel	1	16	2437	16	26	26	26	+	+	+	VgnrG					8	8	8	+	+	+
PicSci				12	26	26	26	+	S&P 500		2764	74	74	74	+	+	+	+	+	SunTel	1	16	2437	16	26	26	26	+	+	+	VgnrG					8	8	8	+	+	+
PicSci				12	26	26	26	+	S&P 500		2764	74	74	74	+	+	+	+	+	SunTel	1	16	2437	16	26	26	26	+	+	+	VgnrG					8	8	8	+	+	+
PicSci				12	26	26	26	+	S&P 500		2764	74	74	74	+	+	+	+	+	SunTel	1	16	2437	16	26	26	26	+	+	+	VgnrG					8	8	8	+	+	+
PicSci				12	26	26	26	+	S&P 500		2764	74	74	74	+	+	+	+	+	SunTel	1	16	2437	16	26	26	26	+	+	+	VgnrG					8	8	8	+	+	+
PicSci				12	26	26	26	+	S&P 500		2764	74	74	74	+	+	+	+	+	SunTel	1	16	2437	16	26	26	26	+	+	+	VgnrG					8	8	8	+	+	+
PicSci				12	26	26	26	+	S&P 500		2764	74	74	74	+	+	+	+	+	SunTel	1	16	2437	16	26	26	26	+	+	+	VgnrG					8	8	8	+	+	+
PicSci				12	26	26	26	+	S&P 500		2764	74	74	74	+	+	+	+	+	SunTel	1	16	2437	16	26	26	26	+	+	+	VgnrG					8	8	8	+	+	+
PicSci				12	26	26	26	+	S&P 500		2764	74	74	74	+	+	+	+	+	SunTel	1	16	2437	16	26	26	26	+	+	+	VgnrG					8	8	8	+	+	+
PicSci				12	26	26	26	+	S&P 500		2764	74	74	74	+	+	+	+	+	SunTel	1	16	2437	16	26	26	26	+	+	+	VgnrG					8	8	8	+	+	+
PicSci				12	26	26	26	+	S&P 500		2764	74	74	74	+	+	+	+	+	SunTel	1	16	2437	16	26	26	26	+	+	+	VgnrG					8	8	8	+	+	+
PicSci				12	26	26	26	+	S&P 500		2764	74	74	74	+	+	+	+	+	SunTel	1	16	2437	16	26	26	26	+	+	+	VgnrG					8	8	8	+	+	+
PicSci				12	26	26	26	+	S&P 500		2764	74	74	74	+	+	+	+	+	SunTel	1	16	2437	16	26	26	26	+	+	+	VgnrG					8	8	8	+	+	+
PicSci				12	26	26	26	+	S&P 500		2764	74	74	74	+	+	+	+	+	SunTel	1	16	2437	16	26	26	26	+	+	+	VgnrG					8	8	8	+	+	+
PicSci				12	26	26	26	+	S&P 500		2764	74	74	74	+	+	+	+	+	SunTel	1	16	2437	16	26	26	26	+	+	+	VgnrG					8	8	8	+	+	+
PicSci				12	26	26	26	+	S&P 500		2764	74	74	74	+	+	+	+	+	SunTel	1	16	2437	16	26	26	26	+	+	+	VgnrG					8	8	8	+	+	+
PicSci				12	26	26	26	+	S&P 500		2764	74	74	74	+	+	+	+	+	SunTel	1	16	2437	16	26	26	26	+	+	+	VgnrG					8	8	8	+	+	+
PicSci				12	26	26	26	+	S&P 500		2764	74	74	74	+	+	+	+	+	SunTel	1	16	2437	16	26	26	26	+	+	+	VgnrG					8	8	8	+	+	+
PicSci				12	26	26	26	+	S&P 500		2764	74	74	74	+	+	+	+	+	SunTel	1	16	2437	16	26	26	26	+	+	+	VgnrG					8	8	8	+	+	+
PicSci				12	26	26	26	+	S&P 500		2764	74	74	74	+	+	+	+	+	SunTel	1	16	2437	16	26	26	26	+	+	+	VgnrG					8	8	8	+	+	+
PicSci				12	26	26	26	+	S&P 500		2764	74	74	74	+	+	+	+	+	SunTel	1	16	2437	16	26	26	26	+	+	+	VgnrG					8	8	8	+	+	+
PicSci				12	26	26	26	+	S&P 500		2764	74	74	74	+	+	+	+	+	SunTel	1	16	2437	16	26	26	26	+	+	+	VgnrG					8	8	8	+	+	+
PicSci				12	26	26	26	+	S&P 500		2764	74	74	74	+	+	+	+	+	SunTel	1	16	2437	16	26	26	26	+	+	+	VgnrG					8	8	8	+	+	+
PicSci				12	26	26	26	+	S&P 500		2764	74	74	74	+	+	+	+	+	SunTel	1	16	2437	16	26	26	26	+	+	+	VgnrG					8	8	8	+	+	+
PicSci				12	26	26	26	+	S&P 500		2764	74	74	74	+	+	+	+	+	SunTel	1	16	2437	16	26	26	26	+	+	+	VgnrG					8	8	8	+	+	+
PicSci				12	26	26	26	+	S&P 500		2764	74	74	74	+	+	+	+	+	SunTel	1	16	2437	16	26	26	26	+	+	+	VgnrG					8	8	8	+</		

Glass	918	+ 20	Shell Trans	510 ½	+ ½	Wipac Yacon	219.09m	465	+30	Inta Heavy Indus- trial	56.90m	938	+5
Harrison & Cross	846	+ 8	Smartt (Ind)	432	+ 8					Sankyo Chem	56.72m	1,039	+56
ICI	976	+ 18	Standard Chartered	490	+ 18	Koto Steel	114.27m	443	+21	Sankyo Metal	50.70m	414	+8
Isokawa	811	+ 18	Stanley (A.S.)	303	+ 18	Wipac Steel	130.75m	385	+16	Taisei	48.19m	909	+70
Irish Creditors	371	+ 19	Tate & Lyle	700	+ 19					Fuji Elec	47.90m	724	+34
Issey & Sino	133	+ 5	Ward White	280	+ 10	Wipac Yacon	65.97m	489	+15				
Midland Bank	415	+ 13						700	+27				
Portals	270	+ 35											
Placid Elec	352	+ 10											
			Each 10 ½ % 1002	5114 ½	- ½								

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**FINANCIAL TIMES**



# NEW YORK STOCK EXCHANGE COMPOSITE PRICES

12 Month										12 Month										12 Month										12 Month									
High Low										High Low										High Low										High Low									
Open										Open										Open										Open									
Close										Close										Close										Close									
Change										Change										Change										Change									
Vol										Vol										Vol										Vol									
Bid										Bid										Bid										Bid									
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P/E Ratio										Close Price										Change									
High Low Stock Div. Yld. % 52-Week Low										Close Price										Change									
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## OVER-THE-COUNTER

**Nasdaq national market, 3pm Prices June 1**

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## AMERICA

## Dow and bonds rise further as market's mood improves

## Wall Street

EQUITIES and bonds yesterday built on their strong gains on Tuesday in what many analysts regard as a mystifying improvement in mood in both markets, writes Janet Bush in New York.

The Dow Jones Industrial Average rose substantially and closed 32.89 points higher at 2,064.01. On the US Treasury bond market, prices were quoted as much as 1½ point higher in late trading. The Treasury's benchmark 9.125 per cent issue due to mature in 2018 stood 1½ points up to yield 9.094 per cent.

The sudden buying on Tuesday came as a surprise to most analysts who had for weeks contemplated a depressing drift downwards in very low volume in both bond and equity markets, obsessed with the prospect of higher US interest rates, worried about higher inflation and nervous about the November Presidential elections.

The gradual nature of the decline over the past few weeks in the equity market had not seemed to offer much hope for a substantial rally.

As the markets have so often confounded analysts this year by falling for no apparent reason, so this week they have surprised market participants by rising on no clear positive news. On several occasions, the financial markets have appeared to react irrationally or to over-react.

The difference with this week's market movements is that they have been up rather than down. There appears to be some basis

for the improvement in mood. One positive factor was the apparent resilience of the bond market in the face of very substantial increases in commodity prices on Tuesday, particularly in the precious metals sector, which appeared to signal to some market participants that market interest rates may have peaked.

However, this optimism on interest rates could be premature. The market will have to wait and see what Friday's release of the latest unemployment figures has to offer and the Fed's reaction to it, before assuming the Fed's tightening move has been completed.

Probably the most important reason behind this week's price gains has been the sharpness of falls in recent weeks. There has always been some scepticism about whether the substantial rise in bond yields fairly reflected upward pressure on inflation. Indeed, there are many in the market who believe that inflation fears have been overdone and may even have been exaggerated by US officials in order to sneak through a tightening of US policy which would support the dollar.

On the equity market, the week has been a vague sense that the dollar may now have bottomed out.

Among economic statistics released yesterday were US leading indicators which on balance were positive for the bond market. Leading indicators rose 0.2 per cent in April, close to market expectations, but the rise in March indicators was revised down to 0.2 per cent from 0.8 per cent.

Factory goods orders and construction spending were neutral to negative for the bond market. Orders rose 1.2 per cent in April, above the consensus market forecast for a 0.6 per cent increase. 0.6 per cent while construction spending was slightly above forecasts of a small decline with a rise of 0.1 per cent in April.

On the equity market, Koppers was up 1½ to \$80 at mid-session amid expectations that its board will approve the sweetened takeover offer worth \$61 a share by Britain's Beazer.

Combustion Engineering gained 1¼ to \$33 at mid-session after news that the company had reached an agreement to build and manage a multi-billion dollar petrochemical complex in the Soviet Union.

On the American Stock Exchange, Charter Medical's Class A shares rose ¾ to \$30¾ after the company said a management group had got the financing needed for its proposed takeover. Texaco added ¾ to \$50¼. Mr Carl Icahn, who has offered \$60 a share for the company, is due to give a press conference in New York late today.

## Canada

RISING gold issues pushed Toronto share prices to a strong advance in active trading as the market moved higher in tandem with Wall Street.

The composite index, which rose about 14 points in earlier trading, gained 30.21 to 3279.43. Advances outnumbered declines by 506 to 312 on heavy volume of 31.6m shares.

## Equities in Denmark approach record high

By Hilary Barnes

THE COPENHAGEN all-share price index is now above its pre-Black Monday level and seems set to pass the all-time high of 219.7, although that might take a few days.

The market's strength follows good economic news and the satisfactory outcome of government negotiations after the indecisive elections on May 10 to the Danish Parliament, the Folketing.

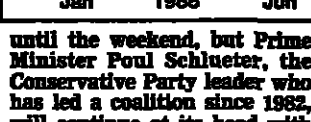
The final composition of the Government will not be known until the weekend, but Prime Minister Poul Schlüter, the Conservative Party leader who has led a coalition since 1982, will continue at its head with a programme committed to an unchanged exchange rate against the ECU and a tough line on public expenditure.

The net supply of bonds is limited, because the Government budget is almost in balance, housing starts are low and the banks, which sold out heavily from their portfolios last year, are now net buyers again. Demand could be two or three times as high as supply, said Mr Kim Branstrop of Branstrop Futures, which specialises in marketing Danish bonds to foreign institutions.

Yields in the bond market of 10.8 per cent on average are attractive for foreign investors.

## Denmark

Copenhagen SE



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Yields in the bond market of 10.8 per cent on average are attractive for foreign investors.

The equity market tends to follow the bond market's lead, but the prospect of better profits in export companies is also encouraging it at present. This is partly owing to tax measures this year favouring exporting companies.

The share price index, which gained 1.06 to 215.05 yesterday, has risen by 17.4 per cent this year and 8.9 per cent since April 28.

Among individual shares, Novo B remains unchanged over the month in spite of an encouraging first quarter report, while East Asiatic Holding has risen DKr30 to yesterday's DKr186. Shipping stock Svendborg is DKr3,500 higher at DKr42,000. Bang & Olufsen DKr43 at DKr273 and Carlsberg B has fallen DKr35 to DKr360.

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